

Virginia Department of Corrections, Capital Improvements P

Part 1 Conceptual Stage Proposal presented to Commonwealth of Virginia in accordance with 1 Public-Private Education Facilities and Infrastru Act of 2002

Mount Rogers/Charlotte County Projects

submitted by
Commonwealth Corrections Solutions

September 22, 2004

VOLUME I

Commonwealth Corrections Solutions

September 22, 2004

Mr. Gene M. Johnson
Director
Virginia Department of Corrections
6900 Atmore Drive
Richmond, Virginia 23225

Dear Mr. Johnson:

On behalf of the members of the consortium, Commonwealth Corrections Solutions, I am pleased to present this Part I Conceptual Phase proposal to the Virginia Department of Corrections (DOC). The proposal is in accordance with the Public-Private Education Facilities and Infrastructure Act of 2002.

Our consortium members have prepared a proposal in response to your advertisement of July 25, 2004 that we feel will meet the forecasted corrections needs of the Commonwealth and provide a cost-effective and flexible solution for the DOC.

We are invoking the protections of Subsection 56-575.4 G of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) for Section 3 as well as all information included in Volume II of our proposal. We believe that this information constitutes proprietary intellectual property of our team members and that the release of such information, at any phase of the review and negotiations, would harm the competitive process or adversely affect the bargaining position of our team. The information included in Volume II is a unique product of the expertise of our team, and the release of its details would compromise the proprietary nature of our proposal. Exclusion from disclosure for such reasons is permitted under Virginia law.

Enclosed is a certified check for \$5000 for the minimum proposal fee as required in the Commonwealth's guidelines of December 2002.

Copies of our proposal are being forwarded to representatives of the communities affected by our proposal in the Mount Rogers Planning District and Charlotte County.

We look forward to talking with you and members of your department about our proposal.

Sincerely,

Michael D. Phillips
Centex Moseley LLC

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EXECUTIVE SUMMARY

Background

With passage of the "The Public-Private Education Facilities and Infrastructure Act of 2002" (PPEA), the Virginia General Assembly cited that "There are inadequate resources to develop new...government facilities for the benefit of citizens of the Commonwealth, and ...that public-private partnerships can meet these needs by improving the schedule for delivery, lowering the cost, and providing other benefits to the public". Further, the General Assembly found that, "Authorizing private entities to acquire, design, construct, improve, renovate, expand, equip, maintain, or operate one or more qualifying projects may result in the availability of such projects to the public in a more timely or less costly fashion, thereby serving the public safety, benefit, and welfare."

On January 30, 2004, a presentation was made to the Senate Finance Committee of the Virginia General Assembly, Subcommittee on Public Safety regarding Jail Crowding and New Construction. In this report, the forecast of State Responsible Offender Population showed an annual increase for the foreseeable future of in excess of 1000 per year.

During the 2004 Session of the General Assembly, legislation was enacted authorizing the expansion of two facilities and the addition of two new 1024 bed facilities. Further, the General Assembly directed the Department of Corrections to develop preliminary plans for construction of a medium security prison and to present such plans to the Governor and the General Assembly by December 1, 2004. A variety of options for delivery and management of the next facilities were laid out for the DOC in the legislation.

On July 25, 2004, the DOC advertised the receipt of an unsolicited proposal and requested that competing entities could submit proposals by September 22, 2004.

Commonwealth Corrections Solutions

Commonwealth Corrections Solutions, a consortium of firms, offers our vast experience in the finance, development and management of correctional facilities and, specifically, with the DOC.

The team is comprised of Centex Moseley LLC, Morgan Keegan and Corrections Corporation of America (CCA). Public Private Infrastructure (PPI) is again working with the team to bring an extensive knowledge of the public private process and experience with the Virginia Department of Corrections.

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In addition, we are supported by ESI, Johnson Controls, Carter Goble Lee, Canteen Correctional Services, McGuire Woods Consulting LLC, Kaufman and Canoles and English Construction.

The team brings comprehensive knowledge from our unparalleled experience delivering correctional facilities, working on projects together and in successfully working with DOC.

The DOC is familiar with many of the team members due to prior proposals and we have again chosen to work together for the next phase of correctional facilities for the Commonwealth. The team has further expanded DOC's options by adding, for consideration, the possibility of private operation for the Mount Rogers Planning District facility and/or the Charlotte County facility.

Our focus is on "flexibility" and providing sufficient options along with substantive information to assist the DOC to make decisions that best serve the Department and the people of the Commonwealth.

Design/Build

Centex Moseley, LLC proposes to provide design/build services delivering one or two enhanced 1024 bed prototype (or a 1500-bed design for a privately operated facility) correctional facilities meeting the Commonwealth's current and future needs. The design will be adapted to the site(s) approved by the DOC and endorsed by the affected local jurisdiction. Our plan is to do this in a cost effective and timely delivery in response to the forecasted needs.

Our proposed schedule is all inclusive considering the realities of procurement, developing the Comprehensive Agreement, permitting (including local or site specific water and waste water), design/build and turnover. This holds true in the proposed budget as well. Costs are all inclusive of:

- site
- furniture, fixtures and equipment (FF&E)
- owner testing and inspection
- design/build management
- operation and maintenance.

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Site

Recognizing the legislature's interest in locating the next phase facility, Commonwealth Corrections Solutions, through PPI, has identified a site in the Mount Rogers Planning District for this facility. We have the support of the local community and offer this site as an option to DOC. The team also stands ready to review site options in Charlotte County as well. (See Volume II for our proposed approach in the Mount Rogers Planning District and Charlotte County.

Finance

The finance team, led by Morgan Keegan, will develop, in conjunction with the Commonwealth of Virginia and the Department of Corrections, a comprehensive project Plan of Finance for the proposed project that addresses current and future system capacity without creating significant or negative impact on the Commonwealth's debt capacity or its credit ratings.

The Plan of Finance will focus on a Department of Corrections' project to construct two medium security facilities. It is assumed that any project would require legislative support directed toward greater system efficiency and inmate safety. It is also anticipated that Appropriation Act language will be necessary to issue bonds or other long-term obligations for the facilities.

This Part I submission offers a specific financing plan that recognizes the full range of financing alternatives available to the Commonwealth and recommends an approach designed to meet five objectives:

1. Provide least-cost financing for the required capital facilities;
2. Provide maximum flexibility in the form of the use agreement required from the Department of Corrections to meet investors' debt service requirements;
3. Expedite the financing process in a manner that allows the Commonwealth to take full advantage of a number of capital markets alternatives in a cost-effective and timely manner;
4. Offer alternative forms of financing that does not negatively affect the Commonwealth's nor the Virginia Public Building Authority's credit ratings; and
5. Structure the transaction in a manner that could potentially minimize the impact on the Commonwealth's debt capacity.

In summary, the Plan of Finance proposes to minimize the project's financing costs

EXECUTIVE SUMMARY

by introducing innovative bond solutions and executing the transactions in an expeditious and proficient manner. The Plan of Finance will bring to the financing process similar execution benefits as are proposed for the facility design and construction phase of this effort.

Management

In order to provide maximum flexibility for DOC, we are also providing an option that allows DOC to select private operation for one or both of the proposed facilities. In order to offer DOC the most efficient, highest quality corrections management proposal, the team includes Corrections Corporation of America (CCA), the founder of the private corrections industry and the leader in outsourced corrections management for 21 years. CCA has included a complete and highly competitive management option for one or both of the proposed facilities, if DOC so desires. This management proposal includes a full turnkey package, complete with security, training, health services, food services, information technology and inmate programs.

We have also provided as an option, ongoing facilities maintenance through Carter Goble Lee working hand in hand with Johnson Controls to provide the latest in systems and technology.

Benefit

What is the benefit of the PPEA approach to the Commonwealth and the Department of Corrections? For the Commonwealth, it is to meet the projected capacity needs in a timely and cost effective way. For the DOC, enabling the mission to "enhance public safety by controlling and supervising sentenced offenders in a humane, cost-efficient manner, consistent with sound correctional principles and constitutional standards" to be achieved.

By providing increased capacity of new medium security facilities, our proposal benefits both the state and the local jurisdictions that regularly accommodate state prisoner overflow - relieving overcrowding enhances safety and reduces the strain on limited resources.

Through the Commonwealth Corrections Solutions proposal, the DOC will receive reduced cost benefits from the utilization of a prototypical design developed in conjunction with DOC.

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The economic boost from a large construction program and subsequent ongoing operation of the facility support hundreds of jobs and generate new tax revenues for state and local governments.

Conclusion

Our proposal is all about flexibility and providing the solutions that best meet the needs of the Commonwealth and the Department of Corrections.

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Structure

Identify the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor (\$1 million or more) in the structure fits into the overall team. All members of the operator/offeror's team, including major subcontractors known to the proposer must be identified at the time a proposal is submitted for the Conceptual Stage. Identified team members, including major subcontractors (over \$5 million), may not be substituted or replaced once a project is approved and comprehensive agreement entered into, without the written approval of the Commonwealth. Include the status of the Virginia license of each partner, proposer, contractor and major subcontractor.

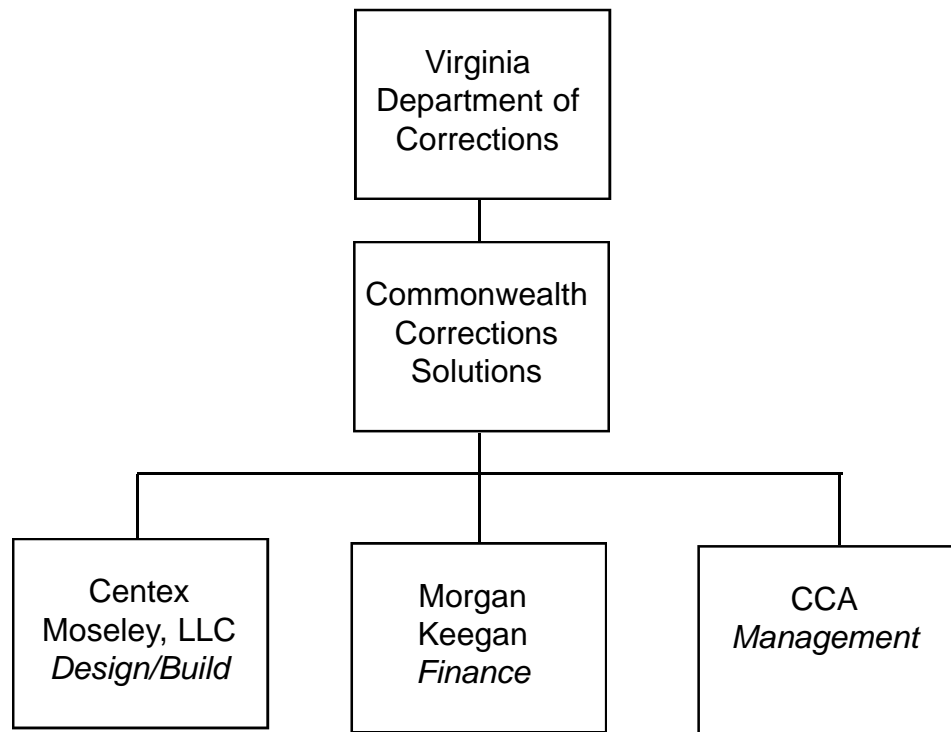
Centex Moseley, LLC and Corrections Corporation of America (CCA) are the lead firms for this Department of Corrections proposal submitted under the name Commonwealth Corrections Solutions. Our management structure and key responsibilities of the team and our major subcontractors are as follows:

- Centex Moseley, LLC — design-build team. Virginia license number 2705 088536 A.
- Centex — primary point of contact and leader of the design-build team. Virginia license number 2705 034866A.
- Moseley Architects, PC — architecture and leader of the design team. Principals of the firm are licensed to practice architecture in Virginia and several other states. Virginia license number 0405 000027.
- Morgan Keegan & Company, Inc. — financial plan, structure and bond issuance. All of the bankers and analysts who will work on this project are registered representatives with the NASD, and they maintain current Series 7 and Series 63 licenses.
- Corrections Corporation of America (CCA) — point of contact for, and leader of, private operations management component. Qualified to do business in Virginia IDF145539-5 / DCN 01-01-05-0112.
- Canteen Correctional Services — food service management
- Public-Private Infrastructure, Inc. — development and leader public private process.
- Kaufman & Canoles — legal. Team members are licensed to practice in Virginia.
- McGuireWoods Consulting LLC — consulting. Team members are licensed to practice in Virginia.
- ESI — security systems. Virginia license number 2705-011692.

SECTION 1 QUALIFICATIONS AND SUMMARY

- Johnson Controls — controls, EMS. Principals of the firm are licensed to practice engineering in Virginia and several other states.
- Carter Goble Lee Companies — building maintenance services.

In addition, English Construction has assisted the team with civil/utilities construction issues review. We anticipate that they will contribute further to this team.



Experience

Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed project including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms. Describe the past safety performance record and current safety capabilities of the firm or consortium of firms. Describe the past technical performance history on recent projects of comparable size and complexity, including disclosure of any legal claims, of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties and a description of such guarantees and warranties.

SECTION 1 QUALIFICATIONS AND SUMMARY

EXPERIENCE OF KEY TEAM MEMBERS

Centex

A leader in the construction industry for more than 68 years, Centex provides general contracting, at-risk construction management, design-build, preconstruction and turnkey services. Centex serves the Mid-Atlantic region from offices in Fairfax, Virginia. The company is ranked by Virginia Business, February 2002, as the #1 contractor in the Commonwealth of Virginia. Centex Construction Company is a member of Centex Construction Group, a subsidiary of Dallas-based Centex Corporation (NYSE-CTX). Divisions of Centex Corporation rank among America's premier companies in building-related services. Centex is listed for the tenth year in a row as one of the nation's top five contractors and was recently ranked No. 1 in domestic general building revenue for the fifth consecutive year by Engineering News-Record magazine. Centex has also been rated No. 1 for three consecutive years (2000, 2001, 2002) on FORTUNE® magazine's list of "America's Most Admired Companies"™ in the engineering and construction category.

Centex maintains an excellent safety record, with an Experience Modification Rating for the past three years ranging from .43 to .48. Their well-established safety program and focus on accident prevention contribute toward maintaining a safe and healthy environment for all Centex employees, project personnel and members of the general public affected by their construction projects.

Their performance record is equally strong - Centex has never failed to satisfactorily complete a contract. The firm's current projects range in size from \$10 million to \$340 million and include such high-profile projects such as Two Corrections Facilities for the Virginia Department of Corrections (one pending) under the PPEA, the U.S. Capitol Visitor Center, Seq. 1, Main Terminal Rehabilitation at Washington Dulles International Airport, E. Barrett Prettyman Courthouse Annex and Renovation and the Air Force Memorial. Whereas other construction companies have seen their bonding capacity reduced in the aftermath of September 11, 2001, Centex's bonding capacity has increased.

Moseley Architects, PC

For over 35 years Moseley Architects has been dedicated to the design of public architecture in Virginia with a specific focus on detention/corrections projects. With offices in Richmond, Harrisonburg, Warrenton, and Virginia Beach, Virginia, the firm services clients throughout the state on the local, state, and federal level.

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To date, the firm has completed projects for over 100 government agencies throughout the Commonwealth of Virginia, including the following projects for the Virginia Department of Corrections: Sussex Maximum Security Prisons I & II, the Fluvanna Women's Prison, and the two new 1,000-bed facilities currently being designed in partnership with Centex Construction.

The firm offers comprehensive services including initial project feasibility, space programming and analysis, land development master planning, site planning, building and interior design, and construction administration and management. In addition, they offer a team of design professionals who have dedicated their careers to correctional facility design. Drawing on their recent and relevant experience, they assist clients in addressing needs in practical and cost-effective ways that are also consistent with relevant national, state, and local standards and recognized principles of planning.

Moseley Architects has provided the Virginia Department of Corrections with successful and cost effective design solutions on a wide range of projects over the past 10 years. Through these projects they have gained a thorough understanding of the preferred methods of operation and approvals required by the VDOC, BCOM and other regulatory agencies.

| Rank | Managing Underwriter | Volume (mil \$) | No. of Issues |
|------|--------------------------------------|--------------------|------------------|
| 1 | Citigroup | \$ 582,582 | 692 |
| 2 | U.S. Financial Services Inc. | 44,742.7 | 848 |
| 3 | Merrill Lynch & Co. | 38,392.5 | 364 |
| 4 | Morgan Stanley | 36,320.1 | 274 |
| 5 | Cohesion Brothers | 24,620.4 | 232 |
| 6 | Dean, DeLuca & Co. | 22,206.6 | 182 |
| 7 | J.P. Morgan Securities Inc. | 21,777.5 | 183 |
| 8 | Goldman Sachs & Co. | 20,248.1 | 175 |
| 9 | Bank of America Securities LLC | 12,646.1 | 355 |
| 10 | BNC Dan Rautscher | 11,793.8 | 605 |
| 11 | Morgan Keegan & Co., Inc. | 6,254.7 | 514 |
| 12 | A.G. Edwards & Sons Inc. | 6,208.6 | 308 |
| 13 | U.S. Bancorp Piper Jaffray Inc. | 5,870.1 | 507 |
| 14 | George E. Dunn & Company, Inc. | 4,663.5 | 273 |
| 15 | Wachovia Securities Inc. | 4,590.9 | 323 |

Morgan Keegan & Company, Inc.

Founded in 1969 and headquartered in Memphis, Tennessee, Morgan Keegan is one of the leading regionally based financial services firms in the nation. In calendar year 2003, the firm ranked 11th nationally for Senior Managed Transactions having served on 514 transactions for a total par amount of \$6.25 billion. Morgan Keegan also ranks 11th in the nation as of the end of the first half of 2004. The firm employs more than 2,700 people throughout 15 states. While Morgan Keegan maintains an equity capital base in excess of \$464 million, the firm also has the financial backing of its parent company, Regions Financial Corporation ("Regions"). In July of 2004, shareholders and the Federal Reserve approved the merger of Regions and Union Planters Corporation, creating the twelfth largest bank holding company in the United States in terms of deposits. The new company, Regions Financial Corporation, has 5.1 million customers, \$81 billion in assets and over 1,400 banking offices in 15 states.

Morgan Keegan's Public Finance Department currently employs 103 banking professionals with extensive experience in key industry sectors serving clients from

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19 offices and eight regional trading desks, including the Mid-Atlantic underwriting desk located in Richmond, Virginia. The firm's public finance bankers are augmented by a group of highly respected associates and analysts using state-of-the-art technology to provide Morgan Keegan's clients with unmatched technical, analytical, and project management support. Morgan Keegan's seasoned banking and technical professionals have the capability to structure and execute the most sophisticated municipal finance transactions offered in the market today.



As shown on the map, Morgan Keegan's Public Finance Banking offices are established in strategic geographic locations throughout the Southeastern and South Central United States. The Morgan Keegan platform and technological and communication resources allow the various offices to operate as needed within their respective regions while also encouraging the offices to constantly interact with one another. With the merger of Regions Financial Corporation with Union Planters Corporation, additional Public Finance offices are expected to open in the larger footprint of both firms.

Morgan Keegan prides itself on having state-of-the-art analytical capabilities. While most bond transactions are modeled using MUNEX, an industry leading bond-sizing software program,

Morgan Keegan has developed numerous proprietary models using Excel that analyze the economics of certain transactions as well as risk factors. These financial tools allow Morgan Keegan's bankers to provide their municipal clients with comprehensive analyses that are critical when choosing between multiple financing options.

Corrections Corporation of America

CCA was founded in 1983 as the first private sector corrections provider in the nation with the vision that it could enhance a necessary public service and save taxpayer dollars. CCA has been the leader in the private prison industry since its founding, controlling approximately 52 % of today's industry market share. CCA has been operating correction/detention facilities since 1984 when the first contracts were awarded to house juvenile, federal and county jail inmates. CCA houses approximately 63,000 inmates in 64 facilities under contract for management with the Federal Government and with various state and local

SECTION 1 QUALIFICATIONS AND SUMMARY

jurisdictions. CCA is the nation's sixth largest corrections system; only Texas, California, the Federal Bureau of Prisons, New York and Florida have larger systems. CCA's track record for providing high quality services with a high grade of customer satisfaction can best be expressed by its adherence to the standards of the American Correctional Association (ACA). All CCA facilities are managed in accordance with the guidelines of ACA and currently, more than three-fourths (3/4) of CCA's operating facilities are ACA accredited with an average compliance score of 98.7%.

CCA's focus is to provide quality facility and program management for local, state and federal government. CCA houses adults and juveniles, males and females, at all custody levels: minimum, medium and maximum-security. Types of facilities include state prisons, county/city jails, pre-release centers, juvenile facilities and federal detention centers. In addition, CCA prisons' escape ratio was less than one-fourth the national average, based on the most recent data available (2000-2003). This places CCA among the best performing systems in the country.

Certain values have always defined CCA's approach to business: high quality, safety and security, a dedication to innovation in programs and services, and the preservation of dignity and mutual respect between our staff and the inmates in our care. We are dedicated to expanding our learning opportunities for staff and inmates alike through the application of new technology and teaching approaches. We are committed to innovation at all levels of the company, from programs and services offered at the facility level to our company's business model and long-term goals.

CCA's turnkey approach to corrections management and quality operations allows the company to rise quickly to challenges presented by its contracts and offer creative, individual solutions. The Houston Processing Center, CCA's first design, build and manage contract was completed in just six months. Another Texas facility, the Laredo Processing Center, was built in just 145 days for the U.S. Department of Justice. In January 2004, CCA acquired management of six Texas State Jails and Correctional Centers previously operated by other private operators which included: B.M. Moore - 500 beds, operated by Management & Training Corp (MTC); Diboll - 518 beds, operated by MTC; Bradshaw - 1980 beds, operated by MTC; Dawson - 2216 beds, operated by MTC; Lindsey - 1031 beds, operated by The Geo Group; and Willacy - 1069 beds, operated by The Geo Group. This was

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the largest single contract award in company history and CCA successfully implemented a smooth transition within an aggressive two month deadline.

As the pioneer in the industry, CCA has maintained its position as the outsourced corrections leader by continuing to offer ingenuity, quality services and a cost savings to the taxpayer while providing government agencies peace of mind when selecting CCA for outsourcing that requires the greatest expertise and experience to ensure success. The experience, financial stability, quality, innovation and consistency of services offered by CCA are unequaled in the outsourced corrections industry.

CCA and Centex have a ten-year relationship building new and expanded correctional facilities. This relationship has resulted in the delivery of over 10,500 beds and facilities totalling \$365 million.

Canteen Correctional Services

In late 2002, CCA food service management began an historic relationship with Canteen Correctional Services, a worldwide food service vendor that began operations in 1929. Canteen's extensive expertise ensures a food service operation that will meet all requirements of the State Health Department, National Commission on Correctional Health Care of the AMA, the American Dietetic Association, and the DOC. The entire program for Quality Assurance in the food service area is developed around standards as developed by the American Correctional Association (ACA).

Canteen has established a management team dedicated to CCA, which will be responsible for CCA facilities only. Food service management will be directed by a Canteen staff member who is qualified by training, experience and knowledge of standards related to the provision of food services in a correctional environment. The food service manager reports directly to a district manager, while maintaining open communication with facility management in order to become a part of the facility culture and to become a source of resolution to any food service issues. Canteen is currently the food service provider for Virginia's Sussex I, Sussex II and the Greenville Correctional facilities, making their management familiar with the DOC's policies and procedures relating to food service. Canteen shall meet or exceed the expectations of the Department in the provision of a quality food service program at any future facility.

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CCA and Canteen Correctional Services have partnered to provide food service operations at CCA facilities all over the United States. CCA proposes to utilize Canteen Correctional as food service contractor. CCA agrees to not substitute or replace a major subcontractor without the written approval of the Commonwealth. CCA of Tennessee, Inc. is licensed to do business in the State of Virginia. Canteen Correctional Services is a major subcontractor utilized by CCA and is licensed to do business in the Commonwealth of Virginia.

Public-Private Infrastructure, Inc.

Public-Private Infrastructure, Inc. (PPI) was formed to address the issues of aging infrastructure and the public's growing needs as populations continue to increase and shift. Combine these issues with economic times that fall short of producing the revenue necessary to keep pace and traditional project delivery methods that can't keep up, and these issues continue to grow more complex. As a developer, PPI's sole focus is public infrastructure and combines decades of public and private background experience to develop innovative solutions tailored to respond to the public needs.

Located in Richmond, Virginia, PPI provides expertise in development, public procurement, local and state requirements and an array of services including project development, facilitator/integrator, project finance, program management, site acquisition, design-build, asset management, operations and maintenance. Utilizing PPEA and PPTA legislation, PPI can reduce costs and shorten delivery time by up to 50% through improved procurement and phased delivery, and employs single-source, single point delivery methods to streamline communications and increase project control.

Kaufman & Canoles

Kaufman & Canoles, P.C. (K&C) is a full- service commercial law firm with offices in Virginia Beach, Chesapeake, Hampton, Newport News, Norfolk, Richmond and Williamsburg with over 125 attorneys. K&C has been a nationally recognized firm in the area of tax- exempt and public finance since 1974 and has served as either bond counsel, underwriters counsel, issuer counsel or borrowers counsel in hundreds of financing.

The firm has participated in unsolicited proposals under the Public-Private Transportation Act and financings which resulted therefrom, either directly or indirectly, including the Commonwealth's Route 28 improvements in Loudoun and

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Fairfax Counties and the Chesapeake Toll Road. The firm has experience in arranging, structuring and coordinating all aspects of public-private projects and economic development initiatives.

Most notably, K&C as well as Kaufman & Canoles Consulting, LLC (KCC) were part of the Trammell Crow Team that was awarded the Richmond Capitol Square Renovations Project in July of 2003. This Public-Private Education Facilities and Infrastructure Act project was awarded to Trammell Crow Company over a half-dozen other proposals.

Kaufman & Canoles, P.C. shall serve as lead legal counsel to the Prime Contractor with respect to (a) preparation and presentation of the Phase I Proposal and Phase II Proposal, (b) the negotiation and preparation of the Comprehensive Agreement and (c) any bond financing related to the Project.

McGuireWoods Consulting

McGuireWoods LLP

Founded in 1834, McGuireWoods currently has 750 lawyers working from 14 strategically located offices worldwide serving public, private, government and nonprofit clients from such industries as automotive, energy resources, health care, technology and transportation. They serve clients by tapping into resources and the experiences of attorneys working from seven legal departments and more than 70 areas of practice, thus meeting clients' needs from virtually any area of law.

McGuireWoods Consulting LLC

McGuireWoods Consulting LLC (MWC) is a wholly owned subsidiary of the McGuireWoods law firm. MWC was founded in 1998 and provides government relations, public relations and business expansion services to clients throughout the United States. Based in Richmond, Virginia, the firm also has offices in Tyson's Corner Virginia and Washington, D.C. Over the past four years, MWC has grown to become the largest and most diverse public affairs firm in the Commonwealth of Virginia.

MWC is widely recognized for its expertise in working with clients to develop successful public-private partnerships. The firm has played a vital role in many of the successful Public Private Transportation Act (PPTA) proposals awarded to date in the Commonwealth. The firm was also instrumental in the development and

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passage of the Public-Private Education Facilities and Infrastructure Act of 2002 by working closely with Senator Walter Stosch in drafting Senate Bill 681, developing promotional materials, crafting amendments and discussing potential benefits with other legislators and the Governor's office. MWC also assembled an industry coalition to support the passage of the legislation. Following passage of the legislation, MWC sponsored a conference for local and state officials to learn about the act's provisions, and the firm has successfully worked to defeat amendments during the 2003 and 2004 legislative sessions that would have undermined the law's effectiveness.

ESI

ESI Companies, Inc. is America's leading detention contractor, constructing prisons, jails and courthouses since 1981 when the company was incorporated in the State of Tennessee. ESI has also developed a line of state-of-the-art electronic products.

ESI Companies, Inc. has extensive experience in design-build construction, fast-track construction, facilities renovations, and maintenance of both private and government-owned and operated correctional facilities. The company manufactures a line of graphic control panels, power supply products, intercom products, biometric verification products and other electronic and hardware products designed to meet the rigorous standards required for detention and correctional facilities.

From concept to completion, ESI Companies, Inc. prides itself in designing, manufacturing, and installing quality integrated security systems to address security needs in the 21st Century.

Johnson Controls

Johnson Controls experience spans more than 115 years and tens of thousands of buildings. The owners and managers of commercial, institutional and government buildings worldwide turn to JCI to maximize comfort, productivity, safety and energy efficiency. JCI engineers, manufactures and installs control systems that automate a building's heating, ventilating and air conditioning, as well as its lighting and fire safety equipment. JCI's Metasys® Facility Management System automates a building's mechanical systems for optimal comfort levels while using the least amount of energy. Metasys® monitors fire sensors and building access, controls the lights, tracks equipment maintenance and helps building managers make better decisions.

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Fiscal 2003 was the 57th consecutive year of sales increases totaling \$22.6 billion. It was the 28th consecutive year of increased dividends, which have been paid consecutively since 1887. JCI was named to Industry Week Magazine's "World's 100 Best Managed Companies" list for fifth consecutive year.

The company is committed to diversity business development. Johnson Controls was named 2003 Corporation of the Year by the National Minority Supplier Development Council. We topped \$1 billion in purchases from over 1,100 diverse suppliers in fiscal year 2002.

We are also a world leader in integrated facility management providing facility management and consulting services for many Fortune 500 companies. Johnson Controls manages more than one billion square feet worldwide. Customers worldwide include education, healthcare, industrial, government and office buildings at 300 locations worldwide.

Customers include Ameritech, GlaxoSmithKline, Pentagon, JCPenney and Novartis as well as 7,000 U.S. school districts, more than 2,000 hospitals and tens of thousands of other non-residential and government buildings.

Carter Goble Lee Companies

With more than 35 years of project experience, Carter Goble Lee offers public and private clients a range of services, generally categorized in the following areas:

- Program Management
- Comprehensive Planning
- Architectural Design
- Facility Maintenance and Design

With regard to the DOC's facility(ies), CGL's comprehensive building maintenance program includes:

- Plant Operations and Maintenance
- Preventive Maintenance and Repairs for all Building Systems and Equipment
- Energy Management
- Warranty Follow-up
- Budgeting
- Computerized Maintenance Management

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- Warehouse / Inventory Control
- Reporting
- Budgeting/Asset Management
- Capital Improvement Programs
- Building Commissioning
- On-site Staff / Route Service/ Emergency Service

KEY PERSONNEL

Resumes of the following individuals are included at the end of this section:

Centex

- John Tarpey, President and CEO
- Steven Smithgall, Executive Vice President, Director of Operations
- Mike Phillips, Vice President, Operations
- William Joyce, Project Executive

Moseley Architects, PC

- Cary Gill, AIA, Vice President/Managing Principal
- Taylor M. Muniz, AIA, Senior Associate
- Bob Mills, P.E., President

Morgan Keegan & Company, Inc.

- Ronald L. Tillett, Managing Director, Richmond Office
- Christopher Spelbring, Vice President, Richmond Office
- Dianne Klaiss, Vice President, Richmond Office

Corrections Corporation of America

- J. Michael Quinlan, Senior Vice President, Business Development
- Jimmy L. Turner, Vice President, Operations
- Melody Turner, Managing Director, Operations, Division II
- Linda A. Staley, Vice President, Design and Construction Management
- John Tighe, Vice President, Health Services
- Dennis E. Bradby, Vice President, Inmate Programs
- Anthony L. Grande, Vice President, State Customer Relations
- Lucibeth N. Mayberry, Managing Director, State Customer Relations
- Jeb Beasley, Senior Director, State Customer Relations

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Public-Private Infrastructure, Inc.

- Harold Ellis, President

Kaufman & Canoles

- Vince Mastracco, Partner
- Chuck McPhillips, Partner
- George Consolvo, Partner
- Terry Murphy, Partner

McGuireWoods

- Frank B. Atkinson, Chairman
- Christopher D. Lloyd, Senior Vice President and Director, Business Expansion Services

ESI

- Warner E. Speakman, President, ESI Companies, Inc.

Johnson Controls

- Brian J. Stark, President, Controls Group
- John M. Barth, President, Chief Executive Officer and Chairman of the Board

Carter Goble Lee Companies

- Gary Hart, Vice President of Business Development

GUARANTEES AND WARRANTIES

The members of the project team have the necessary experience in private-public partnerships, construction and project financings to provide the necessary guarantees, warranties to the satisfaction of prospective credit enhancers. The list of projects submitted as references required various forms of performance and financing guarantees, bonding capability, liquidated damages and debt structuring aspects including capitalized interest all to the satisfaction of credit enhancers.

SECTION 1 QUALIFICATIONS AND SUMMARY

Experience

For each firm or major subcontractor (\$1 million or more) that will be utilized in the project, provide a statement listing all of the firm's prior projects and clients for the past 3 years and contact information for same (names/addresses /telephone numbers). If a firm has worked on more than ten (10) projects during this period, it may limit its prior project list to ten (10), but shall first include all projects similar in scope and size to the proposed project and, second, it shall include as many of its most recent projects as possible. Each firm or major subcontractor shall be required to submit all performance evaluation reports or other documents which are in its possession evaluating the firm's performance during the preceding three years in terms of cost, quality, schedule maintenance, safety and other matters relevant to the successful project development, operation, and completion.

CENTEX

Specifically related projects completed by Centex within the last three years or currently underway include:

■ Virginia Department of Corrections, Three Locations

Project team members orchestrated the \$140 million development and simultaneous construction of two 1,000-cell medium-security correctional facilities and one 600-cell medium-security facility expansion.

| | |
|------------------|--|
| Completion date: | Deerfield 12/06 Pocahontas 3/07 Pending Option Chatham |
| Client contact: | Ms. Kimberley Lipp Virginia Department of Corrections |
| Address: | 6900 Atmore Drive Richmond, VA 23225 |
| Phone: | 804-674-3102, ext. 1206 |

■ North Carolina Correctional Facilities

Project team members orchestrated the \$223 million financing, development and simultaneous construction of three 1,000-cell close security correctional facilities based on a prototype design provided by the State of North Carolina.

| | |
|------------------|--|
| Completion date: | December 2003 |
| Client contact: | Mr. William Stoval North Carolina Department of Corrections |
| Address: | 2020 Yonkers Road, Raleigh, NC 27699 |
| Phone: | 919-716-3400 |

SECTION 1 QUALIFICATIONS AND SUMMARY



E. Barrett Prettyman Courthouse

- **E. Barrett Prettyman Courthouse Annex and Renovation, Washington, DC**
\$115 million new 350,000-square-foot annex and selected renovations to the existing historic courthouse. Two below-grade floors will accommodate parking, provide secure prisoner transportation and house mechanical and electrical equipment.

Completion date: October 2005
Client contact: Mr. Eric Albrecht, GSA-National Capitol Region
Address: 7th and D Streets, Washington, DC 20407
Phone: 202-329-1544



Osceola County Courthouse

- **Osceola County Courthouse and Government Center, Kissimmee, Florida**
\$71 million, 410,000-square-foot project consisting of five portions: preconstruction and infrastructure, Beaumont renovations/additions, addition & renovation to the existing administration building, construction of a new courthouse, and renovation of the existing historic courthouse. This project is a 2001 & 2002 ABC Excellence in Construction "Eagle Award" winner.

Completion date: March 2002
Client contact: Mr. David Peach, Osceola County
Address: 1919 E Irlo Bronson Memorial Highway
Kissimmee, FL 34744
Phone: 407-944-2200

- **Crowley County Correctional Facility, Olney Springs, Colorado**
\$19.5 million, 624-bed prison facility expansion with supporting improvements, facilities and equipment.

Completion date: October 2003
Client contact: Ms. Linda Staley, Corrections Corporation of America
Address: 10 Burton Hills Boulevard, Nashville, TN 37215
Phone: 615-263-3000

- **Florida Department of Corrections Renovation and Expansion to Existing Facilities**

\$10 million

Completion date: January 2001
Client contact: Mr. Ned Terry, Florida Department of Corrections
Bureau of Facilities Services
Address: 2601 Blair Stone Road, Tallahassee, FL 32399-2500
Phone: 904-922-3945

SECTION 1 QUALIFICATIONS AND SUMMARY



Lee County Justice Center

■ Lee County Justice Center Expansion, Ft. Myers, Florida

\$38 million renovation of the current Justice Center in addition to the new construction of the attorneys' and judges' offices. Phase I of the project consists of the addition of three elevators to serve six floors of the Justice Center. The project also includes a 700-car parking garage and a 130,000-square-foot building addition.

Completion date: October 2006

Client contact: Mr. Jim Lavender, Lee County Department of Public Works

Address: 1500 Monroe Street, Fort Myers, FL 33901

Phone: 239-479-8505

■ Maury Correctional Institution, Hookerton, North Carolina

\$74.5 million, 1,000-cell, 500,000-square-foot close security prison based on a prototype design provided by the State of North Carolina; constructed out of precast concrete modular cells, structural precast concrete and concrete masonry units (CMU). The prison includes 992 inmate cells, 26 day rooms, 11 control rooms, administrative offices, a central energy plant and recreational facilities.

Completion date: October 2005

Client contact: Mr. William Stoval, North Carolina Department of Corrections

Address: 2020 Yonkers Road, Raleigh, NC 27699

Phone: 919-716-3400



Orange County Corrections

■ Orange County Corrections, Phase II Expansion, Orlando, Florida

\$58 million medical/mental health facility, intake/release facility and additional housing and walkways on the existing Orange County Jail campus. The facility will include a new booking area, two courtrooms and administration offices. The scope of work also includes site development and other related infrastructure work.

Completion date: December 2005

Client contact: Mr. Mike Hicks, Orange County Corrections

Address: 400 East South Street, Suite 500, Orlando, FL 32801

Phone: 407-836-7858

■ Oritz Correctional Facility, Ft. Myers, Florida

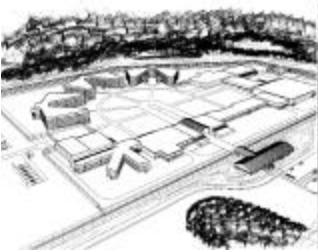
\$35 million, 200,000-square-foot facility which includes inmate housing, a downtown booking area and juvenile assessment center and the a new jail core building.

SECTION 1 QUALIFICATIONS AND SUMMARY

Completion date: October 2002
Client contact: Mr. Jim Lavender, Lee County Dept. of Public Works
Address: 1500 Monroe Street, Fort Myers, FL 33901
Phone: 239-479-8505

MOSELEY ARCHITECTS, PC

Specifically related projects completed by Moseley Architects in the last three years or currently underway include:



Medium Security - Butner

■ **Medium Security Federal Correctional Institution, Butner, NC**

This design-build project is currently under construction and contains 864 cells and will house approximately 1,150 inmates when completed. The facility was designed with buildings positioned in a campus plan arrangement with related site utilities and site development.

Completion date: January 2006
Client contact: Mr. William Downs, Project Manager,
Design & Construction
Address: 320 First St. NW, Room 254,
Washington, DC 20534
Phone: 202-514-8845



Medium Security - Petersburg

■ **Medium Security Federal Correctional Institution, Petersburg, VA**

The correctional institution contains 864 cells and houses approximately 1,150 inmates. Each building within the facility is a single-story structure, with the exception of three General Inmate Housing buildings that contain four levels each, and the Special Inmate Housing unit, which contains two levels. The facility was designed with buildings positioned in a campus plan arrangement with related site utilities and site development.

Completion date: 2001
Client contact: Ms. Elaina Walker or Mr. Peter Swift - Hensel Phelps
(D/B Partner)
Address: 4437 Brookfield Corporate Dr., Suite 207;
Chantilly, VA 20151
Phone: 703-828-3200

■ **Alleghany Regional Jail & Sheriff's Offices, Covington, VA**

The County Jail, Sheriff's offices, Magistrate, and 911 Center are all housed in the new 37,000 SF building located in Covington, Virginia. The building is sited

SECTION 1 QUALIFICATIONS AND SUMMARY



Alleghany Regional Jail

next to the historic Alleghany County Courthouse, the centerpiece of Covington's downtown, and replaces the 100-year old jail. The three-story building has a stepped back form, which softens the impact of the large mass on its frontage street. The building has a steel frame with masonry infill structure and steel and concrete floors. Granite, located from the same quarry as the granite on the existing Courthouse, and its unique pattern, was used on a portion of the jail veneer. Inside, areas shared by the Sheriff's Department and Jail include the lobby, reception, armory, staff locker and break area, and mechanical/electrical spaces.

Completion date: 2001
Client contact: Ms. Tammy Stephenson, County Administrator -
Alleghany County
Address: P.O. Box 917, Covington, VA 24426
Phone: 540-863-6600

■ **Middle River Regional Jail, Verona, VA**

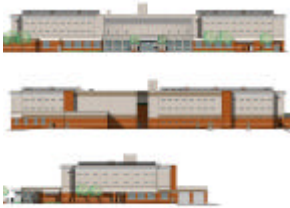
The Middle River Regional Jail Authority comprises the jurisdictions of Augusta County, City of Staunton and City of Waynesboro. The Planning Study for the Middle River Regional Jail prepared by Moseley Architects was approved by the Virginia Department of Corrections in October 2001.

The jail is designed to serve a population of 396 men and women of various classifications. The design includes a core facility that is to serve a population of up to 578. The jail will utilize indirect supervision management and is to be a single floor structure with the exception of the housing pods, which will be two levels.

The building area is approximately 170,000 square feet. The jail will contain the following components: classroom area with teacher offices, kitchen area, an intake area with holding cells, vehicle sallyport, medical services with x-ray and dentist rooms, laundry, warehouse and administrative offices with armory and muster room. Other components include Classification Housing, Special Management Housing, and Community Corrections for weekend offenders.

Completion date: February 2006 (estimated)
Client contact: Mr. John McGehee, Assistant County Administrator
- Augusta County
Address: P.O. Box 590, Verona, VA 24482
Phone: 540-245-5613

SECTION 1 QUALIFICATIONS AND SUMMARY



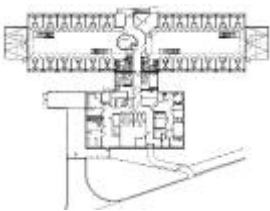
Chesterfield Jail

■ Chesterfield 154-Bed Replacement Jail, Chesterfield, VA

The replacement facility will be located on the existing jail site, which will be expanded to adjacent county property. The current detainee population must be maintained during construction, hence a phased solution is being developed that will mitigate disruption yet maintain security and operations. Site restraints are numerous and in addition, utility locations will be required prior to general construction. The existing facility, with the exception of a 96-bed minimum-security unit ("C" Building), will be demolished and removed.

- Moseley Architects has prepared on the behalf of the County the Community Based Corrections Plan and a Planning Study that has been approved by the Virginia Department of Corrections. The approved solution is for a 2-story structure of approximately 86,000 SF. The building will incorporate a Magistrates Office and a Booking Area for use by the County Police Department. Housing will be podular in design with an indirect supervision philosophy. A connection to the existing "C" Building has also been incorporated into the design.

Completion date: June 2005
 Client contact: Mr. Robert Rivers, Construction Manager -
 Chesterfield County
 Address: P.O. Box 40, Chesterfield, VA 23832
 Phone: 804-796-7098



Camille Graham

■ Camille Graham Correctional Institution, Columbia, SC

This projects consists of construction of a 192-bed female reception & evaluation unit at the existing campus of Camille Griffin Graham Correctional Institution, Columbia, SC (approximately 32,700 square feet). The project consists of an administration section constructed of load bearing CMU walls with a brick veneer. The housing section consists of pre-cast concrete walls and 96 cells. The building is covered by a standing seam metal roof.

Completion date: September 2005
 Client contact: Ms. Sharon Ellisor, Project Manager -
 SC Department of Corrections
 Address: 4322 Broad River Rd., Columbia, SC 29210
 Phone: 803-896-1713

- Term Contract - Virginia Department of Corrections

SECTION 1 QUALIFICATIONS AND SUMMARY

MORGAN KEEGAN & COMPANY, INC.

Morgan Keegan's history of municipal underwriting is focused primarily on the southeastern region of the United States; however, the firm has established itself among the leading underwriters of municipal bonds. Morgan Keegan's success in the public finance industry is best demonstrated by the firm's national rankings among the top lead managers of municipal bonds throughout the country. In terms of Correctional Facilities financings, Morgan Keegan ranked #4 nationally with a 12% market share and 10 issues for a total par value of over \$325 million in 2003. During the same period, Morgan Keegan was also the leading underwriter in the Commonwealth of Virginia, with 28 issues at a total par value of \$805.8 million.

| Virginia Negotiated Long-Term Municipal New Issues Full Credit to Book Manager Year End 2003 | | | |
|--|--------------------------------------|--------------------|------------------|
| Rank | Underwriter | Volume (mil \$) | No. of Issues |
| 1 | <i>Morgan Keegan & Co., Inc.</i> | 805.8 | 28 |
| 2 | Lehman Brothers | 653.3 | 4 |
| 3 | UBS Financial Services Inc. | 416.0 | 10 |
| 4 | Citigroup | 341.2 | 5 |
| 5 | BB&T Capital Markets | 299.2 | 8 |

| Correctional Facilities Rankings Book Runner Full to Book Runner (Equal if Joint) Year-End 2003 | | | |
|---|--------------------------------------|--------------------|---------------|
| Rank | Underwriter | Volume (mil \$) | Mkt. Share |
| 1 | Lehman Brothers | \$ 562.9 | 21 |
| 2 | Bear, Stearns & Co. | 399.4 | 15 |
| 3 | Siebert Brandford Shank & Co | 390.5 | 14 |
| 4 | <i>Morgan Keegan & Co., Inc.</i> | 325.5 | 12 |
| 5 | UBS Financial Services Inc. | 158.6 | 6 |
| 6 | Citigroup | 144.7 | 5 |
| 7 | Commerce Capital Markets | 94.3 | 4 |
| 8 | A.G. Edwards & Sons, Inc. | 76.6 | 3 |
| 9 | Coastal Securities | 57.2 | 2 |
| 10 | Piper Jaffray & Co. | 46.6 | 2 |

SECTION 1 QUALIFICATIONS AND SUMMARY

Over the last three years, Morgan Keegan has participated in 43 Correctional Facilities transactions at a total par amount of \$688.6 million, in 15 different States. Below is a partial listing, with eight of the more significant transactions:

| Morgan Keegan Selected Correctional Facilities Transactions: 2002 to 2004 | | | | | |
|--|-----------------------|--|-----------|--|-------------|
| <i>Sale Date</i> | <i>Size (\$000's)</i> | <i>Issuer</i> | <i>St</i> | <i>Description</i> | <i>Role</i> |
| 02-Apr-04 | 49,675 | Mohave County Industrial Development Authority | AZ | Correctional Facility Contract Revenue Bonds (Mohave Prison Project) | Sole SR |
| 24-Jun-03 | 57,415 | Washington Economic Development Finance | WA | Taxable Economic Development Revenue Bonds | Sole SR |
| 04-Jun-03 | 75,000 | Gwinnett County | GA | General Obligation (Detention Center Expansion Project) | CO |
| 04-Jun-03 | 48,220 | Big Stone Gap Virginia Correctional Facility | VA | | Sole SR |
| 24-Apr-03 | 61,755 | Riverside Regional Jail Authority | VA | Jail Facilities Revenue Bonds | SR (books) |
| 16-Apr-03 | 38,750 | Southwest VA Jail Authority | VA | Jail Facility Grant Anticipation Notes | SR (books) |
| 16-Apr-03 | 61,095 | Southwest VA Jail Authority | VA | Jail Facility Revenue Bonds | SR (books) |
| 21-Oct-02 | 38,530 | Louisiana Correctional Facilities Corporation | LA | Lease Revenue Refunding Bonds | CO |
| 8 Transactions with a Total Par Amount of \$430.4 million | | | | | |

CCA

Facility: B. M. Moore Correctional Center

Location: 8500 No. FM 3053
Overton, Texas 7564

Customer: Texas Department of Criminal Justice

Total facility management for adult male minimum/medium security inmates sentenced to the Texas Department of Criminal Justice, Institutional Division.

Design Capacity: 500 beds

Period of Operation: January 2004-Present

Facility: Bartlett State Jail

Location: 1018 Arnold Drive
Bartlett, Texas 76511

Customer: Texas Department of Criminal Justice (TDCJ)

Since October 1995, CCA has provided total facility management for adult minimum/medium security male inmates sentenced to the Texas Department of Criminal Justice.

Design Capacity: 962 beds

Period of Operation: April 1995-Present

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|--|---|
| Facility | Bay Correctional Facility |
| Location: | 5400 Bayline Dr. Panama City, Florida 32404 |
| Customer: | Correctional Privatization Commission of Florida/Florida Department of Corrections |
| Since 1994 this facility has provided total facility management for adult male medium security inmates sentenced to the Florida Department of Corrections. | |
| Design Capacity: | 750 beds |
| Period of Operation | August 1995-Present |
| Facility: | Bay County Jail |
| Location: | 314 ½ Harmon Panama City, Florida 32401 |
| Customer: | Correctional Privatization Commission of Florida/Florida Department of Corrections |
| Since 1985 this facility has provided total facility management for adult male medium security inmates sentenced to the Florida Department of Corrections. | |
| Design Capacity: | 276 beds |
| Period of Operation: | 1985-Present |
| Facility: | Bay County Jail Annex |
| Location: | 5600 Nehi Rd. Panama City, Florida 32404 |
| Customer: | Correctional Privatization Commission of Florida/Florida Department of Corrections |
| Since 1986 this facility has provided total facility management for 402 adult male medium security inmates sentenced to the Florida Department of Corrections. | |
| Design Capacity: | 402 beds |
| Period of Operation: | May 1986-Present |
| Facility: | Bent County Correctional Facility |
| Location: | 11560 Road FF 75 Las Animas, Colorado 81054-9598 |
| Customer: | Colorado Department of Corrections |
| Provide total facility management for adult medium, minimum restricted and minimum custody males who have been sentenced to the Colorado Department of Corrections. This is accomplished through a Residential Services Agreement with | |

SECTION 1 QUALIFICATIONS AND SUMMARY

Bent County.

Design Capacity: 700 beds
Period of Operation: October 1996-Present

Facility: Bradshaw State Jail
Location: 3900 West Loop 571 No.
P.O. Box 9000 (mailing)
Henderson, Texas 75652

Customer: Texas Department of Criminal Justice
Total facility management is provided for the secure housing of approximately 1,980 adult male inmates for the Texas Department of Criminal Justice
Design Capacity: 1,980 beds
Period of Operation: January 2004-Present

Facility: Bridgeport Pre-Parole Transfer Facility
Location: 222 Lake Rd.
Bridgeport, Texas 76426
Customer: Texas Department of Criminal Justice, Pardons and Paroles Division

Provide total facility management for 200 adult females who have been arrested for technical violations of their parole for the Texas Department of Criminal Justice, Pardons and Paroles Division.

Design Capacity: 200 beds
Period of Operation: April 1995-Present

Facility: California City Correctional Center
Location: 22844 Virginia Blvd.
California City, California 93504

Customer: Federal Bureau of Prisons
Provide total facility management for Federal Bureau of Prison inmates
Design Capacity: 2,304 beds
Period of Operation: December 1999-Present

Facility: Central Arizona Detention Center
Location: 1155 No. Pinal Pkwy
P.O. Box 1048
Florence, Arizona 85232

Customers: U.S. Marshals Service (USMS), Immigration and Customs Enforcement (ICE), U.S. Air Force (USAF),

SECTION 1 QUALIFICATIONS AND SUMMARY

Bureau of Indian Affairs and the Pasqua Yaqui Tribe of Arizona

Provide total facility management for the United States Marshals Service inmate, Immigration and Customs Enforcement inmates, United States Air Force inmates, and inmates from the Pasqua Yaqui Tribe of Arizona.

Design Capacity: 2,304 beds

Period of Operation: October 1994-Present

Facility: Cibola County Correctional Center

Location: 2000 Cibola Loop
P.O. Box 3540 (mailing)
Milan, New Mexico 87021

Customer: Federal Bureau of Prisons

Provide total facility management and detention services for low security adult non-U.S. citizen males with 60 months or less remaining to serve on their sentence for the Bureau of Prisons (BOP).

Design Capacity: 1,072 beds

Period of Operation: April 1998-Present

Facility: Cimarron Correctional Facility

Location: 3700 South Kings Hwy
Cushing, Oklahoma 74023

Customer: Oklahoma Department of Corrections

Provide total facility management for 960 adult males inmates from the Oklahoma Department of Corrections.

Design Capacity: 960 beds

Period of Operation: May 1997-Present

Facility: Citrus County Detention Facility

Location: 2604 W. Woodland Ridge Rd.
Lecanto, Florida 34461

Customer: Citrus County, Florida; Florida Department of Corrections; U.S.

Provide total facility management for a 400 bed multi-custody local detention center for the detention of adult male, female and juvenile inmates for Citrus County, Florida; Florida Department of Corrections; the United States Marshals Service; and Immigration and Customs Enforcement

Design Capacity: 400 beds

Period of Operation: October 1995-Present

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|----------------------|--|
| Facility: | Coffee Correctional Facility |
| Location: | 1153 North Liberty St. Nicholls, Georgia 31554 |
| Customer: | State of Georgia |
| | Provide total management services for adult male medium security inmates sentenced to the Georgia Department of Corrections |
| Design Capacity: | 1,524 beds |
| Period of Operation: | December 1998-Present |
| Facility: | Correctional Treatment Facility |
| Location: | 1901 E. Street SE Washington, D.C. 20003 |
| Customer: | District of Columbia Department of Corrections |
| | Provide total facility management for medium security inmates sentenced to the custody of the District of Columbia Department of Correction |
| Design Capacity: | 866 beds |
| Period of Operation: | March 1997-Present |
| Facility: | Crossroads Correctional Center |
| Location: | 75 Heath Rd. Shelby, Montana 59474 |
| Customer: | Montana Department of Corrections and the U.S. Marshals Service |
| | Provide total management services for adult male medium security inmates sentenced to the Montana Department of Corrections; and housing and escort service for U.S. Marshals Service prisoners. |
| Design Capacity: | 512 beds |
| Period of Operation: | August 1999-Present |
| Facility: | Crowley County Correctional Facility |
| Location: | 6564 State Hwy 96 Olney Springs, Colorado 81062-8700 |
| Customer: | Colorado and Wyoming Departments of Corrections |
| | Total facility management for adult male inmates from the Wyoming and Colorado Departments of Corrections |
| Design Capacity: | 1,200 beds |
| Period of Operation: | January 2003-Present |

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|----------------------|---|
| Facility: | David L. Moss Criminal Justice Center |
| Location: | 300 North Denver Tulsa, Oklahoma 74103 |
| Customer: | Tulsa County, Oklahoma |
| | Provide total jail management services for male and female adult and juvenile inmates for Tulsa County, Oklahoma. |
| Design Capacity: | 1,440 beds |
| Period of Operation: | August 1999-Present |
| Facility: | Davis Correctional Facility |
| Location: | 6888 East 133rd Road Holdenville, Oklahoma 74848-9033 |
| Customer: | Oklahoma Department of Corrections |
| | Provide total facility management for 960 medium security adult males for the Oklahoma Department of Corrections. |
| Design Capacity: | 960 beds |
| Period of Operation: | March 1996-Present |
| Facility: | Dawson State Jail |
| Location: | 106 West Commerce St. Dallas, Texas 75207 |
| Customer: | Texas Department of Criminal Justice |
| | Total facility management for adult male inmates sentenced to the Texas Department of Criminal Justice. |
| Design Capacity: | 2,216 beds |
| Period of Operation: | January 2004-Present |
| Facility: | Diamondback Correctional Facility |
| Location: | Route 2 Box 336 Watonga, Oklahoma 73772 |
| Customer: | Watonga Economic Development Authority and the states of Wisconsin, Arizona and Hawaii |
| | Provide total facility management for adult males sentenced from the states of Wisconsin, Arizona and Hawaii. |
| Design Capacity: | 2,160 beds |
| Period of Operation: | October 1998-Present |
| Facility: | Diboll Correctional Center |
| Location: | 1604 South First Street Diboll, Texas 75941 |

SECTION 1 QUALIFICATIONS AND SUMMARY

Customer: Texas Department of Criminal Justice
Total facility management for adult males sentenced to the Texas Department of Criminal Justice.

Design Capacity: 518 beds
Period of Operation: January 2004-Present

Facility: Eden Detention Center
Location: Hwy 87 East
P.O. Box 605
Eden, Texas 76837-0605

Customer: Federal Bureau of Prisons (Residential Services Agreement with the City of Eden, Texas)

In accordance with a Residential Services Agreement with the City of Eden, CCA provides total corrections management services for adult male inmates for the Federal Bureau of Prisons.

Design Capacity: 1,225 beds
Period of Operation: October 1995-Present

Facility: Elizabeth Detention Center
Location: 625 Evans Street
Elizabeth, New Jersey 07201

Customer: Bureau of Immigration and Customs Enforcement
Renovation of existing building to provide detention services for adult males detained by Immigration and Customs Enforcement.

Design Capacity: 300 beds
Period of Operation: January 1997-Present

Facility: Eloy Detention Center
Location: 1705 East Hanna Road
Eloy, Arizona 85231

Customer: Federal Bureau of Prisons
Provide total corrections management services for medium security adult male inmates held under a joint venture agreement between Immigration and Customs Enforcement and the Federal Bureau of Prisons.

Design Capacity: 1,500 beds
Period of Operation: April 1995-Present
Facility: Florence Correctional Center
Location: 1100 Bowling Road
Florence, Arizona 85232-2667

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|----------------------|--|
| Customer: | United States Marshals Service, State of Hawaii, Immigration and Customs Enforcement, Bureau of \ |
| | Indian Affairs and Pascua Yaqui Indian Tribe |
| | Provide total facility management services for adult males for the United States Marshals Service, Immigration and Customs Enforcement, U.S. Air Force, Pascua Yaqui Tribe and the states of Alaska, States of Vermont and Hawaii. |
| Design Capacity: | 1,600 beds |
| Period of Operation: | December 1999-Present |
| Facility: | Gadsden Correctional Institution |
| Location: | 6044 Greensboro Hwy Quincy, Florida 32351 |
| Customer: | Florida Department of Corrections |
| | Provide total corrections management services for minimum/medium custody females sentenced to the Florida Department of Corrections. |
| Design Capacity: | 896 beds |
| Period of Operation: | April 1998-Present |
| Facility: | Hardeman County Correctional Facility |
| Location: | 2520 Union Springs Rd. Whiteville, Tennessee 38075 |
| Customer: | Tennessee Department of Correction |
| | Through a construction and management contract with Hardeman County, Tennessee; CCA provides total facility management services for adult males sentenced to the Tennessee Department of Correction. |
| Design Capacity: | 2,016 beds |
| Period of Operation: | June 1997-Present |
| Facility: | Hernando County Jail |
| Location: | 16425 Spring Hill Dr. Brooksville, Florida 34604 |
| Customer: | Hernando County, Florida and United States Marshals Service |
| | Provide total facility management for 302 males, females and juveniles, both pre- trial and pre-sentenced for Hernando County, Florida and United States Marshals Service. |
| Design Capacity: | 302 beds |
| Period of Operation: | October 1988-Present |

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|----------------------|--|
| Facility: | Houston Processing Center |
| Location: | 15850 Export Plaza Dr. Houston, Texas 77032 |
| Customer: | Immigration and Customs Enforcement |
| | Provide total facility management for adult males and females who have been detained by the Immigration and Customs Enforcement. |
| Design Capacity: | 411 beds |
| Period of Operation: | April 1984-Present |
| Facility: | Huerfano County Correctional Center |
| Location: | 304 Ray Sandoval Street Walsenburg, Colorado 81089 |
| Customer: | Colorado Department of Corrections |
| | Provide total facility management for the State of Colorado. |
| Design Capacity: | 752 beds |
| Period of Operation: | November 1997-Present |
| Facility: | Idaho Correctional Center |
| Location: | P.O. Box 70010 Boise, Idaho 83707 |
| Customer: | State of Idaho |
| | Provide total facility management for minimum and medium security inmates for the State of Idaho. |
| Design Capacity: | 1,270 beds |
| Period of Operation: | June 2000-Present |
| Facility: | Kit Carson Correctional Center |
| Location: | 49777 County Road V P.O. Box 309 Burlington, Colorado 80807 |
| Customer: | Colorado and Wyoming Departments of Corrections |
| | Provide total facility management services for adult male inmates for the states of Colorado and Wyoming. |
| Design Capacity: | 768 beds |
| Period of Operation: | November 1998-Present |
| Facility: | Lake City Correctional Facility |
| Location: | 7906 East US Hwy 90 Lake City, Florida 32055 |
| Customer: | Florida Correctional Privatization Commission |

SECTION 1 QUALIFICATIONS AND SUMMARY

This contract provides for the secure and humane housing of youthful offenders rather than adults. It is less similar to the RFP requirements than our adult facilities but serves as another example of our ability to manage various prison populations.

Design Capacity: 350 beds
Period of Operation: February 1997-Present

Facility: Laredo Processing Center
Location: 4702 East Saunders
Laredo, Texas 78041

Customer: Immigration and Customs Enforcement
Provide total facility management for adult males and females detained by Immigration and Customs Enforcement.

Design Capacity: 258 beds
Period of Operation: March 1985-Present

Facility: Leavenworth Detention Center
Location: 100 Hwy Terrace
Leavenworth, Kansas 66048

Customer: United States Marshals Service
Provide pretrial detention services for the United States Marshals Service.

Design Capacity: 483 beds
Period of Operation: June 1992-Present

Facility: Lee Adjustment Center
Location: 2648 Fairground Ridge Road
P.O. Box 900
Beattyville, Kentucky 41311-900

Customer: Kentucky and Vermont Departments of Correction
Provide total facility management for adult males sentenced to the Kentucky and Vermont Departments of Corrections.

Design Capacity: 756 beds
Period of Operation: April 1998-Present

Facility: Liberty County Jail
Location: 2400 Beaumont Ave.
P.O. Box 10069
Liberty, Texas 77575-1006

SECTION 1 QUALIFICATIONS AND SUMMARY

Customer: Liberty County, Texas, and the United States Marshals Service.

Liberty County provides detention services for the U.S. Marshals Service through an Intergovernmental Agreement. CCA contracts with the county to provide total facility management for adult male and female federal and county.

Design Capacity: 380 beds

Period of Operation: December 1995-Present

Facility: Lindsey State Jail

Location: 1620 Post Oak Road
Jacksboro, Texas 76458

Customer: Texas Department of Criminal Justice

Total facility management for adult male inmates sentenced to the Texas Department of Criminal Justice, Institutional Division.

Design Capacity: 1,031 beds

Period of Operation: January 2004-Present

Facility: Marion Adjustment Center

Location: 95 Raywick Road
P.O. Box 10
St. Mary, Kentucky 40063-0010

Customer: Marion County, Indiana & Indiana Department of Corrections

CCA provides total facility management for adult males sentenced to the Kentucky and Vermont Departments of Corrections.

Design Capacity: 790 beds

Period of Operation: April 1998-Present

Facility: Marion County Jail II

Location: 730 E. Washington St.
Indianapolis, Indiana 46202

Customer: Marion County, Indiana & Indiana Department of Corrections

Provide total facility management for 670 multiple security level adult male and female offenders for Marion County, Indiana.

Design Capacity: 670 beds

Period of Operation: November 1997-Present

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|----------------------|--|
| Facility: | McRae Correctional Facility |
| Location: | 1000 Jim Hammock Road P.O. Box 308 McRae, Georgia 31055 |
| Customer: | Federal Bureau of Prisons (BOP) |
| | Provide total facility management for low security, deportable, male inmates for the Federal Bureau of Prisons |
| Design Capacity: | 1,524 beds |
| Period of Operation: | December 2002-Present |
| Facility: | Metro-Davidson County Detention Facility |
| Location: | 5115 Harding Place Nashville, Tennessee 37211 |
| Customer: | Metropolitan Government of Nashville and Davidson County, Tennessee |
| | Provide total facility management for adult males and females at all custody levels for the Metropolitan Government of Nashville and Davidson County. |
| Design Capacity: | 1,092 beds |
| Period of Operation: | February 1992-Present |
| Facility: | Mineral Wells Pre-Parole Transfer Facility |
| Location: | 759 Heintzelman Road Mineral Wells, Texas 76067-9273 |
| Customer: | Texas Department of Criminal Justice, Pardons & Paroles Division |
| | Provide a secure facility, with associated programs, for persons transferred to pre-parole status by the Department of Criminal Justice, Pardons and Paroles Division. |
| Design Capacity: | 2,103 beds |
| Period of Operation: | April 1995-Present |
| Facility: | New Mexico Women's Correctional Facility |
| Location: | 1700 East Old Hwy 66 P.O. Box 800 (mailing) Grants, New Mexico 87020 |
| Customer: | New Mexico Corrections Department |
| | Provide total facility management for sentenced adult females of all security levels, for the New Mexico Corrections Department. |
| Design Capacity: | 596 beds |

SECTION 1 QUALIFICATIONS AND SUMMARY

Period of Operation: July 1989-Present

Facility: Northeast Ohio Correctional Center

Location: 2240 Hubbard Road (44505)
P.O. Box 1857 (mailing)
Youngstown, Ohio 44501-1857

Customer: U.S. Marshals Service

On April 7, 2004, CCA announced the reopening of the Northeast Ohio Correctional Center, which had closed in 2001. It is expected the facility will initially house approximately 300 USMS prisoners, in cooperation with Mahoning County.

Design Capacity: 2,016 beds

Period of Operation: May 1997-Present

Facility: Otter Creek Correctional Center

Location: Hwy 360
P.O. Box 500
Wheelwright, Kentucky 41669-0500

Customer: State of Indiana

Provide services for housing up to 1,000 medium custody adult male inmates for the Indiana Department of Correction.

Design Capacity: 656 beds

Period of Operation: April 1998-Present

Facility: Prairie Correctional Facility

Location: 445 So. Munsterman St.
Appleton, Minnesota 56208-2608

Customer: North Dakota, Wisconsin and Minnesota
Departments of Correction

Provide total facility management for adult male inmates from the North Dakota, Minnesota and Wisconsin Departments of Correction.

Design Capacity: 1,338 beds

Period of Operation: October 1996-Present

Facility: San Diego Correctional Facility

Location: 446 Alta Road Suite 5400
San Diego, California 92158 (facility)

Customer: Immigration and Customs Enforcement and the U.S.

SECTION 1 QUALIFICATIONS AND SUMMARY

Marshals Service

Provide corrections management services for adult male detainees held by the Immigration and Customs Enforcement and the U.S. Marshals Service.

Design Capacity: 1,232 beds

Period of Operation: June 1998-Present

Facility: Shelby Training Center

Location: 3420 Old Getwell Road

Memphis, Tennessee 38118-3634

Customer: Juvenile Court of Memphis and Shelby County, Tennessee, Federal Bureau of Prisons, States of Nevada and Delaware

Provide total facility management services for juveniles committed to the Federal Bureau of Prisons, Juvenile Court of Memphis and Shelby County, Tennessee and the States of Nevada and Delaware.

Design Capacity: 200 beds

Period of Operation: May 1986-Present

Facility: Silverdale Facilities

Location: 7609 Standifer Gap Road (3741)

P.O. Box 23148 (mailing)

Chattanooga, Tennessee 37442

Customer: Hamilton County, Tennessee

Provide total facility management for adult males and females, both pre-trial and sentenced, to include Hamilton County and Federal prisoners through the County.

Design Capacity: 576 beds

Period of Operation: 1984-Present

Facility: South Central Correctional Center

Location: 555 Forrest Avenue

P.O. Box 279

Clifton, Tennessee 38425

Customer: Tennessee Department of Correction

Provide total facility management services for adult males sentenced to the Tennessee Department of Correction.

Design Capacity: 1,506 beds

Period of Operation: March 1992-Present

SECTION 1 QUALIFICATIONS AND SUMMARY

Facility: Southern Nevada Women's Correctional Facility
 Location: 4370 Smiley Road
 North Las Vegas, Nevada 89115
 Customer: State of Nevada
 Provide total facility management for up to 500 multiple security level, female offenders for the State of Nevada.

Design Capacity: 500 beds
 Period of Operation: September 1997-Present

Facility: T. Don Hutto Correctional Center
 Location: 1001 Welch St.
 P.O. Box 1063
 Taylor, Texas 76574
 Customer: Williamson County, Texas and the United States
 Marshals Service

Provide total facility management for up to 480 medium security adult males for the United States Marshals Service through an Interagency Agreement with Williamson County, Texas.

Design Capacity: 480 beds
 Period of Operation: January 1997-Present

Facility: Tall Trees
 Location: 3335 Old Getwell Road
 Memphis, Tennessee 38118-3716
 Customer: Juvenile Court of Memphis
 Provide residential services for youth committed by the Tennessee Department of Children's Services and the Shelby County Juvenile Court.

Design Capacity: 63 beds
 Period of Operation: January 1984-Present

Facility: Tallahatchie County Correctional Facility
 Location: 295 U.S. Hwy 49 South
 P.O. Box 368
 Tutwiler, Mississippi 38963
 Customer: Tallahatchie County, Mississippi; Hawaii Department of Public Safety, and the Colorado Department of Corrections

The facility provides 1,104 beds including a 60 bed county jail for use by

SECTION 1 QUALIFICATIONS AND SUMMARY

Tallahatchie County. A contract with the Mississippi Department of Corrections was recently completed in March of 2004. Recently, the facility has begun housing inmates for the Hawaii Department of Public Safety and the Colorado Department of Corrections.

Design Capacity: 1,104 beds

Period of Operation: May 2000-Present

Facility: Torrance County Detention Facility

Location: County Road 49

P.O. Box 837

Estancia, New Mexico 87016

Customer: Torrance County, New Mexico; U.S. Marshals Service; Immigration and Customs Enforcement; and the New Mexico Department of Corrections

Provide total facility management for adult males, pre-trial and sentenced, in the custody of the U.S. Marshals Service, Immigrations and Customs Enforcement, the New Mexico Corrections Department or Torrance County Sheriff.

Design Capacity: 910 beds

Period of Operation: November 1990-Present

Facility: Webb County Detention Center

Location: 9998 South Hwy 83

Laredo, Texas 78046

Customer: United States Marshals Service and Immigration and Customs Enforcement

Total facility management for adult males and females for the United States Marshals Service and Immigration and Customs Enforcement.

Design Capacity: 480 beds

Period of Operation: July 1999-Present

Facility: West Tennessee Detention Facility

Location: 6299 Finde Naifeh Jr. Dr. (facility)

P.O. Box 509 (mailing)

Mason, Tennessee 38049

Customer: City of Mason, Tennessee and the United States Marshals Service

Provide total facility management for pre-trial and sentenced adult males for the United States Marshals Service and other Federal agencies in accordance with a

SECTION 1 QUALIFICATIONS AND SUMMARY

Management Services Contract with the City of Mason, Tennessee.

Design Capacity: 600 beds
Period of Operation: September 1990-Present

Facility: Wheeler Correctional Facility
Location: 1100 North Broad Street
P.O. Box 466
Alamo, Georgia 30411

Customer: Georgia Department of Corrections
Provide total facility management services for adult male medium security inmates sentenced to the Georgia Department of Corrections

Design Capacity: 1,524 beds
Period of Operation: November 1998-Present

Facility: Whiteville Correctional Facility
Location: 1440 Union Springs Road (facility)
P.O. Box 679 (mailing)
Whiteville, Tennessee 38075

Customer: Hardeman County and the Tennessee Department of Correction

Through a construction and management contract with Hardeman County, Tennessee, provide facility management for adult male inmates sentenced to the Tennessee Department of Correction.

Design Capacity: 1,536 beds
Period of Operation: July 1998-Present

Facility: Wilkinson County Correctional Facility
Location: 2999 U.S. Hwy 61 North
P.O. Box 1079
Woodville, Mississippi 39669

Customer: Mississippi Department of Corrections
In accordance with a Residential Services Agreement between the Mississippi Department of Corrections and the Wilkinson County Industrial Development Authority, CCA provides total facility management for medium security adult male inmates for the Mississippi Department of Corrections.

Design Capacity: 1,000 beds
Period of Operation: January 1998-Present

SECTION 1 QUALIFICATIONS AND SUMMARY

Facility: Willacy County State Jail
 Location: 1695 South Buffalo Drive
 Raymondville, Texas 78580
 Customer: Texas Department of Criminal Justice
 Total facility management for adult male inmates sentenced to the Texas
 Department of Criminal Justice, Institutional Division.
 Design Capacity: 1,069 beds
 Period of Operation: January 2004-Present

Facility: Winn Correctional Center
 Location: Gum Springs Road Hwy 560
 Winnfield, Louisiana 71483-1260
 Customer: Louisiana Department of Public Safety and
 Corrections
 Provide total facility management for adult male inmates sentenced to the
 Louisiana Department of Public Safety and Corrections.
 Design Capacity: 1,538 beds
 Period of Operation: March 1990-Present

The following is a list of where CCA has led the outsourced corrections industry by being first:

First turnkey adult contract - Houston Processing Center (October 1983);
 First adult county facility - Silverdale (September 1984);
 First turnkey juvenile contract - Shelby Training Center (April 1985);
 First female multi-security prison - New Mexico Women's Correctional Facility (June 1989);
 First international management contract - Queensland, Australia;
 First male medium-security prison - Winn Correctional Center (March 1990);
 First USMS contracted maximum-security facility - Leavenworth Detention Center (awarded June 1990, opened June 1992);
 First privately operated facility to achieve 100% on ACA accreditation audit - New Mexico Women's Correctional Facility (June 1991);
 First privately operated prison in the Commonwealth of Puerto Rico - Guayama Correctional Center (December 1985);
 First international management contract for women - Victoria, Australia;
 First privately operated prison dedicated to the care and management of youthful

SECTION 1 QUALIFICATIONS AND SUMMARY

offenders - Ponce, Puerto Rico (February 1997); and
First privately operated prison in the District of Columbia - Correctional Treatment Center (March 1997).

The successful implementation of all these "firsts" is why Corrections Corporation of America is a pioneer in outsourced corrections, a company that continues to lead the industry by providing quality care and innovative service coupled with cost savings which benefit government, departments of correction and county jails, and the taxpayer.

CANTEEN

| | |
|------------------|---|
| Project Name: | Lehigh County Prison 38 Fourth Street, Allentown, PA 18102 610-782-3260 |
| Project Type: | County Jail |
| Project Contact: | Ed Sweeney- Director of Administration |
| Project Awarded: | 1996 |
| Design Capacity: | 1330 Beds |
| Project Name: | Erie County Prison 1618 Ash Street, Erie, PA 16503 814-451-7530 |
| Project Type: | County Jail |
| Project Contact: | Jim Veshecco, Deputy Warden |
| Project Awarded: | 1998 |
| Design Capacity: | 1445 Beds |
| Project Name: | Sussex I State Prison 24414 Musselwhite Drive, Waverly, VA 23891 804-834-9967 |
| Project Type: | State Prison |
| Project Contact: | William Page True, Warden |
| Project Awarded: | 2002 |
| Design Capacity: | 1250 Beds |
| Project Name: | D. Ray James Prison Highway 252 East, Folkston, GA 31537 912- 496-6242 |

SECTION 1 QUALIFICATIONS AND SUMMARY

| | |
|------------------|--|
| Project Type: | State Prison |
| Project Contact: | Charles Ayers, Warden |
| Project Awarded: | 1998 |
| Design Capacity: | 1600 Beds |
| Project Name: | Dekalb County Jail 4425 Memorial Drive, Decatur, GA 30032 404-298-8145 |
| Project Type: | County Jail |
| Project Contact: | Thomas Brown, Sheriff |
| Project Awarded: | 1999 |
| Design Capacity: | 2500 Beds |
| Project Name: | ASPC - Perryville Goodyear, AZ 85338 520-853-0304 |
| Project Type: | Women's State Prison |
| Project Contact: | Bill Gaspar, Warden |
| Project Awarded: | 1986 |
| Design Capacity: | 1700 Beds |
| Project Name: | Hillsborough County Jail 1201 Orient Road, Tampa, FL 33615 813-247-9960 |
| Project Type: | County Jail |
| Project Contact: | Col. David Parrish, Director |
| Project Awarded: | 1990 |
| Design Capacity: | 2900 Beds |
| Project Name: | Escambia County Sheriff's Office 2935 North "L" Street, Pensacola, FL 32501 850-436-9117 |
| Project Type: | County Jail |
| Project Contact: | Dennis Williams, Director |
| Project Awarded: | 2000 |
| Design Capacity: | 950 Beds |

SECTION 1 QUALIFICATIONS AND SUMMARY

Project Name: Sussex II
24427 Musslewhite Drive, Waverly, VA 23891
804-834-4002
Project Type: State Prison
Project Contact: Asst. Warden Bixley
Project Awarded: 2000
Design Capacity: 1250 Beds

Project Name: Greensville State Prison
901 Corrections Way, Jarratt, VA 23870
434-535-7002
Project Type: State Prison
Project Contact: Sam Batts, Asst. Warden
Project Awarded: 2001
Design Capacity: 3200

MCGUIREWOODS CONSULTING LLC

- **Route 28 Corridor Improvements, Fairfax and Loudoun Counties, Virginia**
MWC provided government relations and community outreach assistance for the Route 28 widening project in Fairfax and Loudoun Counties.
- **Route 288, Chesterfield, Powhatan and Goochland Counties, Virginia**
MWC worked closely with Koch and its other partners in the bid for completing Route 288 in the Chesterfield, Powhatan and Goochland Counties.
- **STAR Solutions (Koch Performance Roads and KBR), I-81 Corridor, Western Virginia**
MWC led the state government relations effort to successfully change the PPTA law to allow tolling of existing interstate highways and coordinated an on-going community outreach and government relations program for the project. The STAR Solutions team is currently negotiating a comprehensive agreement for this project with VDOT.
- **Centex Construction - PPEA for new medium security prisons in Virginia**
MWC provided government relations assistance to secure bond funding for two new medium security prisons that will be built through the PPEA and

SECTION 1 QUALIFICATIONS AND SUMMARY

successfully amended legislation to ensure that the PPEA is used for future facility construction by the Department of Corrections..

- **Donley's Inc. - PPEA parking garage in downtown Fredericksburg, Virginia**
MWC provided advice to Donley's and government relations assistance related to the company's successful proposal to construct a \$6.5 million parking deck in the city's historic downtown.
- **Northrop Grumman - PPEA for public safety center in Roanoke County, Virginia**
MWC provided government relations and strategic advice to the company in developing its successful PPEA proposal to construct a new public safety center for Roanoke County. MWC is also assisting the company with a similar proposal in Stafford County.

ESI SECURITY SYSTEMS

- **Lower Buckeye Jail, Phoenix, AZ**
Security Services
Client contact: Maricopa County Criminal Justice Facilities
Address: 411 North Central Ave., Suite 400
Phoenix, AZ 85004
Phone: 602-506-3011
- **Alexander Correctional Institute, Alexander County, Taylorsville, NC**
Security Services for 1000-cell close security prototypes
Client contact: Steve Hicks
Carolina Corrections LLC
Address: 2151 Quail Run Drive
Baton Rouge, LA 70808
Phone: 225-766-3990
- **Elliott County Medium Security Correctional Facility, Sandy Hook, KY**
Security Services
Client contact: Keith Bohart, Commonwealth of Kentucky
Address: 702 Capitol Avenue
Frankfort, KY 40601
Phone: 502-564-3155

SECTION 1 QUALIFICATIONS AND SUMMARY

■ CCA Houston Processing Center, Houston, TX

Security Services

Client contact: Corrections Corporation of America

Address: 10 Burton Hills Blvd.

Nashville, TX 37215

Phone: 615-263-3000

■ Replacement Facility for the Jefferson City Correctional Center, Jefferson City, MO

Security Services

Client contact: Gary Kemeker, State of Missouri

Address: 301 West high Street

Jefferson City, MO 65102

Phone: 573-751-2389

JOHNSON CONTROLS

■ Annapolis State Complex, Annapolis, MD

- \$2,846,060 / Maintenance: \$243,000

- 15 building complex

- State RFP for networking and building automation systems.

- Competitively won by Johnson Controls.

- Included motor replacement, variable speed drive installation and building automation systems

- Installed to connect all facilities and provided backbone for networking system.

Completion date: June 1996

Client contact: Mr. Doug Dawson, Project Manager

Department of General Services, State of Maryland

Phone: 410-767-8458

■ Maryland Rehabilitation Center, Baltimore, MD

- \$1,109,012 / Maintenance: \$685,226

- Comprehensive Energy Efficiency and Guaranteed Savings Program

- Achieve state mandated energy reductions

- Existing comfort concerns within building

- Deferred maintenance issues

Completion date: January 1999

Client contact: Mr. Frank Melcavage, Branch Chief



Annapolis State Complex

SECTION 1 QUALIFICATIONS AND SUMMARY

Department of General Services State of Maryland
Phone: 410-554-9586

■ **District Court/Multi-Service Centers, Annapolis, MD**

- \$5,486,262 / Maintenance over contract term: \$11,561,130
- Achieve state mandated energy reductions
- Indoor air quality concerns
- Limited capital dollars available for upgrades

Completion date: July 2000

Client contact: Mr. Doug Dawson, Project Supervisor
Department of General Services, State of Maryland

Phone: 410-260-2904



Maryland State Police

■ **Maryland State Police, Pikesville, MD**

- \$1,682,887 / Maintenance cost over term: \$2,807,290
- Achieve state mandated energy reductions
- Interior comfort issues
- Deferred maintenance projects

Completion date: January 1999

Client contact: Mr. Tom Przybyla, Maintenance Engineer
Department of General Services, State of Maryland

Phone: 410-653-4439



Carroll County Government

■ **Carroll County Government, Westminster, MD**

- \$1,183,658 / Maintenance cost over term: \$1,435,487
- Updating county-wide facilities infrastructure
- Deferred maintenance issues
- Stabilize operating budget
- Enhance staff productivity

Completion date: December 1999

Client contact: Mr. G. Michael Whitson, Chief
Bureau of Land Management and Maintenance

Phone: 410-876-8144

SECTION 1 QUALIFICATIONS AND SUMMARY

Contact

Provide the names, addresses and telephone numbers of persons within the firm or consortium of firms who may be contacted for further information.

Project Management

Mike Phillips, Vice President
Centex Moseley, LLC
3924 Pender Drive
Fairfax, Virginia 22030
703/218-1321 Voice
703/929-5075 Cell
703/934-5520 Fax
mphillips@ccgmail.com

Ronald L. Tillett, Managing Director
Morgan Keegan & Company, Inc.
951 East Byrd Street, Suite 930
Richmond, VA 23219
804/225-1148
804/225-1122 Fax
ron.tillett@morgankeegan.com

Jeb Beasley, Senior Director
Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, TN 37215
615/263-6615
615/263-3050 Fax
Jeb.Beasley@correctionscorp.com

Financial Statement

Provide a current or most recently audited financial statement of the firm or firms and each partner with an equity interest of twenty percent or greater.

Financial statements for Centex, Morgan Keegan, and CCA are included in the Appendix of this proposal.

SECTION 1 QUALIFICATIONS AND SUMMARY

Disqualification

Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2.

We have reviewed The Virginia State and Local Government Conflict of Interest Act, Chapter 31 of Title 2.2 and confirm that none of the individuals on our team would be obligated to disqualify him or herself from participation in this project.

Qualified Workers

Identify proposed plan for obtaining sufficient numbers of qualified workers in all trades or crafts required for the project.

Obtaining qualified workers is essential to the success of any construction projects. Centex recognizes the importance of the trades and crafts in delivery quality, timely construction and maintains an updated database of both subcontractors and individual workers. The firm will draw from this database and work with local economic development entities to identify local businesses. Work fairs and job-training sessions will be conducted. Training is also an integral part of assuring sufficient numbers of qualified workers, and Centex has an excellent training program, as described below.

In the event that a management option is selected, CCA will ensure that qualified workers are recruited and retained to manage the facility. CCA recruits both veteran corrections professionals and individuals who are beginning their corrections careers and strives to attract qualified applicants from outside the organization, as well as within. CCA has established qualifications for applicants that permit experience to be substituted for education when that experience is extensive and pertinent to the duties of the position. CCA also ensures that vacancies are filled with qualified staff by using every method available to recruit employees including website position postings, internal company-wide postings, local and state employment agencies, newspaper advertisements, and job fairs. In addition to competitive salaries, CCA offers its full-time employees an attractive and comprehensive benefits package. This not only assists in obtaining qualified workers, but also serves as a strong employee retention tool.

SECTION 1 QUALIFICATIONS AND SUMMARY

Training Programs

Provide information on any training programs, including but not limited to apprenticeship programs registered with the U.S. Department of Labor or a State Apprenticeship Council, in place for employees of the firm and employees of any member of a consortium of firms.

Centex has always had an active and comprehensive training program. Under the direction of the position, Manager of Training and Development, Centex strengthens their emphasis on training. In the calendar year of 2003, Centex's Mid Atlantic division tracked that its employees participated in approximately 4,600 hours of training on such subjects as creating and maintaining a project schedule, successful project startup and closeout procedures, estimating by specific CSI division, contract law, English as a second language, giving and receiving feedback, presentation skills and preventing sexual harassment.

Centex is an active member of several local and national industry associations including the Associated Builders and Contractors and has strong employee participation on several of associations committee including the National Education Committee, which deals with training issues. Centex encourages the firm's craft employees to attend the Virginia chapter of ABC Carpentry Apprenticeship program, affiliated with Northern Virginia Community College. In addition to carpentry education, they support and encourage craft employees to participate in English as a Second Language education, also through ABC.

The firm also encourages its subcontractors to establish apprenticeship training programs. Several of its projects in the District of Columbia have included First Source Employment agreements that require any subcontractor with a contract over \$500,000 in value to register and be approved for an apprenticeship training program.

Corrections Corporation of America's staff training programs meet and frequently exceed the training standards set by the American Correctional Association. All CCA facilities have a full time training manager, each of whom has successfully completed a 40-hour Training for Trainers program. Also, all instructors in firearms, chemical/inflammatory agents and less lethal munitions, batons, electronic restraint devices, defensive tactics, crisis prevention, and CPR maintain current instructor certifications in their respective specialty areas.

SECTION 1 QUALIFICATIONS AND SUMMARY

A qualified full-time training manager will coordinate and ensure proper delivery of training programs for employees at the facility. Responsibility for the training programs will rest with the corporate managing director of staff development and training, the warden, and the facility training manager. An individual training record will be maintained for each employee, along with documentation of training attended.

Minority Business Enterprise

Provide information on the level of commitment by the firm or consortium of firms to use Department of Minority Business Enterprise firms in developing and implementing the project.

Our team is firmly committed toward fulfilling Governor Warner's Executive Order 29 to encourage participation of small, minority-owned and woman-owned businesses in construction contracts. We will work with the Department of Minority Business Enterprise and local economic development entities to notify local businesses of opportunities and hold work fairs and job-training sessions. We will also report consistent with DOC's SWAM reporting requirement.

SBA mentor-protege agreement between Centex and THR Enterprises is pending; all required signatures have been executed by Centex and THR and the agreement is waiting for SBA approval.

We will further develop our mentor-protégé relationship with THR Enterprises Inc., a Virginia Based Minority Business Enterprise and a highly capable construction partner with a track record of general contracting and design-build success. Our mentor-protégé relationship ensures that Centex provides training and consultation to this MBE in all aspects of their business, including training for their workers.

A few examples of our proven commitment include:

- Recognition for outstanding and exemplary performance in promoting Small, Minority, Women and Disadvantaged Business Utilization by the American Minority Contractors and Business Association, Inc. (May 2003 Awards)
- Corporate sponsor for National Association of Minority Contractors.
- Associated General Contractors MBE Advisory Council member for over 15 years

SECTION 1 QUALIFICATIONS AND SUMMARY

- ABC SBE/MBE/WBE Committee member for the past five years
- Locally, Centex has subcontracted over \$90 million to disadvantaged and women-owned business firms in the past four years. And locally, we have subcontracted over \$400 million to Small Business firms over this same period.
- CCA strives to utilize small, minority, women-owned, and disadvantaged businesses in support of the facilities we operate throughout the country. Toward that end, every effort will be put forth to use Virginias Department of Minority Business Enterprise (MBE) firms in developing and implementing this project

Forms and Certifications

For each firm or major subcontractor that will perform construction and/or design activities, provide the following information:

- A sworn certification by an authorized representative of the firm attesting to the fact that the firm is not currently debarred or suspended by any federal, state or local government entity.
- A completed qualification statement on a form developed by the Commonwealth that reviews all relevant information regarding technical qualifications and capabilities, firm resources and business integrity of the firm, including but not limited to, bonding capacities, insurance coverage and firm equipment. This statement shall also include a mandatory disclosure by the firm for the past three years any of the conduct items noted in the Commonwealth of Virginia Procedures dated December 2002.

The end of this section contains a signed and notarized Department of General Services forms 30-168 for construction firms and the applicable portions of DGS form 30-004 for design firms. To satisfy the requirements regarding the items of conduct noted in the Commonwealth of Virginia Procedures dated December 2002, we have included signed addenda to those forms.

Worker Safety Programs

Describe worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.

Centex is committed to establishing and maintaining a safe and healthy environment for all Centex employees, project personnel and members of the

SECTION 1 QUALIFICATIONS AND SUMMARY

general public affected by our construction projects. Centex is concerned with accident prevention and control, first and foremost, because it affects the safety and well being of each and every employee. Accident prevention also assists in conserving skilled manpower; controlling unnecessary production costs; protecting machinery, equipment and materials from damage; and preventing the waste of time and effort. As policy, Centex expects from all managers, subcontractors and suppliers, full cooperation and participation in all measures taken to ensure the safety and efficient operations of the project. This requires an observance of safe practice rules, and the detection and reporting of hazardous conditions, practices and behaviors in the working environment, as well as the submission of recommendations to improve the safety and efficiency of the project.

Using the Centex Construction Group Loss Prevention Manual Safety Program as a basis, the firm develops site-specific safety and health plans that comply with all federal, state and local codes, laws and regulations. Key components of these site-specific plans include:

Worksite inspections

The Superintendent conducts daily project safety inspections along with job hazard analysis worksheets. The Safety Director conducts bi-monthly inspections. A company safety committee made up of project supervisors and managers and company safety personnel discusses safety and health issues, makes recommendations for policy changes and conducts a project audit during the busiest phase of construction. A safety recognition program, which includes subcontractors, is tailored to the project. The program includes monthly and quarterly awards for safe workers, presented at a jobsite-wide meeting.

Safety and health meetings

Centex employees hold weekly safety meetings. Larger subcontractors have their own weekly meetings, and smaller subcontractors may either have their own meetings or participate in the Centex meetings. Site safety meetings for field supervisors are held with the Safety Director, and safety is an agenda item discussed at weekly subcontractor meetings. Accident records and accident summaries are kept and reported quarterly.

Safety and health training program, including new-hire orientation

All Centex project staff, including line supervisors, participate in an OSHA 10-hour

SECTION 1 QUALIFICATIONS AND SUMMARY

construction safety and health course. Subcontractor management and supervisory personnel are asked to participate as well. New hires participate in a safety orientation program, receiving a written "guide for safety and health" and viewing a video, both of which include basic training on portable fire extinguisher and fire prevention, the OSHA required training topics and a general set of safe work practices.

Inspection and accident investigation process

The Superintendent notifies the Safety Director immediately for all emergencies or injuries and ensures the appropriate medical care is conducted in accordance with the Centex Injury Procedures and that Post Accident/Incident Drug/Alcohol Testing is also conducted. The appropriate supervisor conducts a "Supervisor's Accident Investigation" and Report as applicable with the help of the Centex Safety Director as necessary to identify and document the cause of all accidents/incidents and to determine what measures can be taken to prevent similar occurrences.

Subcontractor compliance with site-specific plan

Subcontractors implement a written Safety Program that meets or exceeds the provision contained in the Centex Project Safety Program and applicable sections of the Centex Construction Group Loss Prevention Manual in addition to complying with all federal, state and local codes, laws, regulations and contracts.

Job hazard analysis process

This document, created by the Superintendent in conjunction with the supervisor of the trade performing the work, identifies the hazards associated with the work to be executed, precautionary measures to take to prevent any losses and indicators that might provide foresight of imminent danger or cause for concern. Once developed, this document is reviewed with the crew performing the work prior to the first day of activity. In the case of prolonged activities, it is periodically reviewed to ensure continued compliance with the approved procedures.

Alcohol-free and drug-free workplace requirements

Centex has a clear, written policy on drug and alcohol abuse, including pre-employment, post-accident, reasonable suspicion and random testing. Centex employees and subcontractors are required to comply with this program.

KEY PERSONNEL RESUMES

Centex

John Tarpey, President and CEO, Centex Construction Company

Centex's Mid Atlantic division is led by John Tarpey, who has over 26 years of construction experience. He has been President and CEO of Centex's Mid Atlantic division since 1996 and has led this division to become one of the top performers in the Washington metropolitan region. In 2001 the American Institute of Constructors presented John with the Walter A. Nashert, Sr. Constructor Award, which is presented by that national organization "to a talented person who has gained high visibility in the construction industry and a reputation of integrity and fair dealing." In 1993 he was a nominee for Engineering News-Record's "Construction Man of the Year" Award. In 1994 he completed the Executive Program at the University of Michigan. He was appointed in 2002 to serve on GSA's Construction Excellence program on the National Register of Peer Professionals. He serves on the Virginia Tech Building Advisory Board and the Penn State Business Advisory Roundtable. He has been a speaker/panelist for topics including leadership development, partnering, design-build and company culture for numerous conferences and seminars.

Steven Smithgall, Executive Vice President, Director of Operations, Centex Construction Company

Steve has overall responsibility for all of Centex's construction operations throughout the Mid-Atlantic region. He is also involved in the day-to-day divisional operations including oversight of the firm's program management, preconstruction, purchasing and estimating activities. Steven has over 27 years of construction experience and holds a Bachelor of Science in building construction from Virginia Polytechnic Institute and State University. He is active in many industry organizations and currently serves on the Board of Governors of the Washington Building Congress.

Mike Phillips, Vice President, Operations, Centex Construction Company

Mike has more than 25 years of experience in the construction industry. He began building homes while attending Pennsylvania State University, and after receiving his degree, joined the Department of Veterans Affairs-Hospital Construction Division. After three years as a Staff Engineer, he was promoted to Senior Resident Engineer and worked in that capacity for an additional five years. Mike joined Centex Construction Company in 1987, advancing from Project Engineer to Assistant Project Manager in two years, contributing his valuable experience to the leadership of the onsite team. In 1992 he was promoted to Project Manager, advanced to Senior Project Manager, in 1998 he was promoted to Project Executive

KEY PERSONNEL RESUMES

and to Vice President - Operations in 2000. He is part of the firm's leadership team.

William Joyce, Project Executive, Centex Construction Company

As Project Executive, Bill provides oversight and problem resolution resources. In his role, he has the broad authority to commit on matters of cost and schedule. Bill is responsible for establishing project objectives and policies to achieve project goals. He also has direct involvement with the preconstruction team on project budget and schedule, as well as logistical issues. Bill has over 31 years of construction experience with a diverse background that includes: business unit management, design/build delivery of projects, contract negotiations and business development.

Leon Blondin, Vice President, Business Acquisition, Centex Construction Company

Leon joined Centex in 2001 after working for a major commercial construction company in the D.C. area for six years. There he was responsible for all estimating functions for major national construction projects. He directed teams of 5-15 estimators on projects ranging from \$20 million to \$500 million. He also provided overall management of the entire estimating staff including hiring, training, budgeting, performance reviews and departmental administration. Prior to this position, Leon worked for two other commercial construction companies in estimating, quality control and soils engineering. In his current role, Leon is responsible for the strategy and processes necessary to acquire projects with target clients whose values and culture align with Centex. He is then responsible for the seamless integration of that project to the construction phase. His duties include management oversight of preconstruction services, estimating services, internal and external marketing, and purchasing.

Moseley Architects

S. Cary Gill, AIA; Vice President, Moseley Architects

Cary Gill has 33 years of design experience, specifically in the corrections/detention area. He leads the Moseley Architects Correctional Studio, a team that has collectively completed over 200 successful detention/corrections projects. For eight years he served as Chief Architect, Manager, and Capital Outlay Director of the Virginia DOC and managed the design and construction of over 15,000 offender beds at state and local levels. He has also supervised the design and review of over 60 juvenile and adult detention centers, as well as managed the physical plants.

KEY PERSONNEL RESUMES

Additionally, Cary is trained in value engineering, a requirement for all projects completed for the VDOC. He is a member of the American Correctional Association, the American Correctional Association Design and Technology Committee, the American Jail Association, the Virginia Correctional Association, the National Juvenile Detention Association, and the Virginia Sheriff's Association.

In the past 10 years he has served as the Managing Principal for significant correctional projects including Sussex Maximum Security Prisons I & II, Fluvanna Women's Prison, Medium Security Federal Correctional Institution - Petersburg, and Medium Security Federal Correctional Institution - Butner, NC.

Taylor M. Muniz , AIA; Senior Associate, Moseley Architects

Taylor has over 20 years of experience in providing project management and architectural services for detention/corrections projects. He is experienced in project management; plan development, contract bidding and award, construction and post-construction phase management, construction administration of multiple bid package contracts, supervision of construction management staff and claims control.

Taylor has a great deal of experience working on numerous Virginia DOC as well as Federal corrections projects. He has proven to be a highly effective design manager under the design-build delivery method, providing coordination of all A/E requirements including integration of the design, engineering and specialty consultant deliverables into construction projects for large complex prison projects.

Bob Mills, P.E.; President, Moseley Architects

Bob Mills has been President of Moseley Architects since 1988 and has contributed significantly to the company's growth and success over the past 15 years. He has spent considerable time over the past two years learning the intricacies of the Virginia PPEA project delivery system and how it impacts project management from the A/E perspective. Moseley Architects is currently a partner in three active Virginia PPEA contracts encompassing seven projects; including the two new 1,000-bed prisons and the 600-bed expansion being designed for the Virginia Department of Corrections.

KEY PERSONNEL RESUMES

Morgan Keegan

Ronald L. Tillett, Managing Director, Richmond Office, Morgan Keegan

Mr. Tillett is a Managing Director in Morgan Keegan's Richmond, Virginia Office. He focuses on the asset management and underwriting needs of public clients throughout Virginia and the United States. Mr. Tillett has been involved in a number of PPEA and PPTA projects in Virginia. Prior to joining Morgan Keegan, Mr. Tillett served four Virginia Governors and the Virginia General Assembly over a twenty-four year public service career. As Secretary of Finance with the administrations of two Virginia Governors, he directed the activities of the State Comptroller, State Budget Director, State Internal Auditor, State Tax Commissioner, and the State Treasurer. He was responsible for advising the Governors in the formulation and execution of the Commonwealth's fiscal policies and maintaining Virginia's coveted triple "AAA" bond ratings. He served as chairman of the Commonwealth's Debt Capacity Advisory Committee and the Governor's Advisory Board of Economists. While serving as Acting State Treasurer and State Treasurer with two Virginia Governors, Mr. Tillett was responsible for the management and issuance of the Commonwealth's debt and as Chairman of the Treasury Board, provided oversight of the Commonwealth's investments and banking services. He was directly involved with the issuance of more than \$4 billion in public debt and the management of a \$4.5 billion fixed income portfolio. Prior to joining the executive branch of government in 1987, Mr. Tillett spent ten years with the Virginia General Assembly's House Appropriations Committee and Joint Legislative Audit and Review Commission. Mr. Tillett received a Bachelor of Science in Urban and Regional Planning from Virginia Commonwealth University and holds the NASD Series 7 - General Securities Representative Professional License and has successfully completed the NASAA Series 63 - Uniform Securities Agent State Law Examination.

Christopher Spelbring, Vice President, Richmond Office, Morgan Keegan

Chris Spelbring joined Morgan Keegan in November of 2003 after spending five years as a senior investment banker with First Southwest Company in Dallas, Texas. Mr. Spelbring plays a primary role in the analysis, structuring and pricing of municipal bond transactions. He has acted as financial advisor, placement agent, or underwriter in the structuring of over \$900 million of municipal transactions, illustrating his technical and quantitative skills. His recent experience includes such clients as The Virginia Historical Society, Hanover County, Mesquite (Texas) Independent School District and Grayson County (Texas) Junior College District. He is a graduate of James Madison University and received an M.B.A. from George Washington University.

KEY PERSONNEL RESUMES

Dianne Klaiss, Vice President, Richmond Office, Morgan Keegan

Ms. Klaiss began her employment with Morgan Keegan in August 2000 after spending three years with the firm of Ferris, Baker Watts, Inc. and two years with the regional accounting firm of Kreischer, Miller & Co. Ms. Klaiss attended Bloomsburg University. Ms. Klaiss assists bankers and clients in the preparation of financial models and projections that are specially designed for each engagement, monitors the refunding potential of existing issues, provides ongoing analytical support during the engagement and assists in the closing of bond transactions.

J. Michael Quinlan, Senior Vice President, Business Development Assistant Acting Chief Operating Officer, CCA

Mike Quinlan has served CCA as a Senior Vice President handling business opportunities for federal, state and local government agencies based out of Washington, D.C. since July 2002. He has extensive experience in the corrections field with an emphasis on cost containment programs, legislative development, labor management relations and strategic planning.

In late summer 2004, Mr. Quinlan stepped forward to temporarily assist CCA CEO John Ferguson with Chief Operating Officer (COO) responsibilities following a vacancy in that position. He was named Executive Vice President and COO of CCA in 2000 and served in that position until choosing to return to his home in Washington in his current role.

Mr. Quinlan joined CCA in 1993 after spending 21 years with the Federal Bureau of Prisons, serving from 1987-1992 as its Director. He served as CCA's Director of Strategic Planning until July 1997 when he was promoted to Chief Executive Officer of CCA's Prison Realty Trust.

Mr. Quinlan holds a Bachelor of Science degree from Fairfield University, a Juris Doctor degree from Fordham Law School, and a Master of Law degree from George Washington University Graduate School of Law.

Jimmy L. Turner, Vice President, Operations, CCA

Jimmy Turner joined CCA in 1989 as Assistant Warden of Security for the Silverdale Facilities in Chattanooga, Tennessee. Mr. Turner has held various positions throughout the company, including Assistant Warden and Warden at several facilities. In 1996, he was promoted to Senior Divisional Director at CCA's

KEY PERSONNEL RESUMES

corporate headquarters in Nashville and, in 1999, was appointed Vice President of Operations. Previously, Mr. Turner spent ten years with the Texas Department of Corrections (TDC).

Mr. Turner studied criminal justice and corrections at Sam Houston State University, Texarkana Junior College and Paris Junior College, all in Texas.

Melody Turner, Managing Director, Operations, Division II, CCA

Ms. Turner joined CCA in September 1997, bringing with her 14 years experience in corrections at both the federal and state level. She began her career in 1983 at the Federal Correctional Institution in Lexington, Kentucky as a Case Manager Trainee. In 1984 she worked for the Ohio Department of Rehabilitation and Corrections at the London Correctional Institution as a Social Worker. Her broad-based experience includes service in senior management positions at both the institutional and central office level.

Ms. Turner is an active member of the American Correctional Association, is a past president of the North American Association of Wardens and Superintendents and has lectured at the National Institute of Corrections. She holds a bachelor's degree in criminology from Miami University of Ohio and a master's degree in Business from Wright State University in Ohio.

Linda A. Staley, Vice President, Design and Construction Management, CCA

Prior to joining CCA in 1985, Ms. Staley spent 18 years working for federal governmental agencies in various capacities. The last seven years were spent with the Department of Justice, Immigration and Naturalization Service, in the contracting and procurement field.

In 1985, Ms. Staley joined CCA as Director, Project Development, and was responsible for coordinating CCA's responses to requests for proposals, monitoring the design and construction of new CCA facilities and supervising maintenance and renovations of existing CCA facilities. In 1994, she was promoted to Vice President, Project Development, and in July of 1998 she was named Vice President, Design and Construction Management.

Ms. Staley attended Wayne State College where she studied business administration.

KEY PERSONNEL RESUMES

John Tighe, Vice President, Health Services, CCA

John Tighe joined CCA in January 2003 and is responsible for the \$100 million Health Services division within the CCA system. Prior to joining CCA, he served since 1999 as the appointed Deputy to the Governor of Tennessee for Health Policy, with direct oversight of TennCare. Previously, Mr. Tighe was the President and Chief Executive Officer of Saint Thomas Health Services, having earlier served as Executive Vice President and Chief Operating Officer of Saint Thomas.

Mr. Tighe received his master's degree in health administration from Xavier University in Cincinnati, a bachelor's degree from Thomas Moore College in Kentucky and a nursing certification from Good Samaritan Hospital in Cincinnati.

Dennis E. Bradby, Vice President, Inmate Programs, CCA

Dennis Bradby joined CCA in 1984, making him one of the most experienced private-sector corrections administrators in the field worldwide.

In 1986, Mr. Bradby was promoted to Vice President of Operational Support Services at CCA's corporate office, and in 1991 he was appointed Vice President of Educational Services (now titled Inmate Programs). He has previously served CCA as Administrator at Houston Processing Center and Silverdale Facilities.

Mr. Bradby graduated from Norfolk State University in 1972 with a Bachelor of Science degree in Sociology.

Anthony L. Grande, Vice President, State Customer Relations, CCA

Prior to joining CCA in 2003, Mr. Grande served as Tennessee's Commissioner of Economic and Community Development (ECD). In that role, he led the recruitment and expansion of business to the State, managing an \$85 million budget and 200 employees. Having worked in Tennessee government since 1998, Grande served as Assistant Commissioner and later as Deputy Commissioner of ECD. He previously led a publishing and database marketing company and served as a speechwriter for the Republican National Committee.

Mr. Grande earned a bachelor's degree from American University in 1991 and a master's degree from Vanderbilt University in 1995.

Lucibeth N. Mayberry, Managing Director, State Customer Relations, CCA

Lucibeth Mayberry joined CCA in May 2003 as Senior Director, State Customer Relations, where she manages relationships for CCA's various state customers

KEY PERSONNEL RESUMES

throughout the nation. She was promoted to Managing Director in June 2004 and assumed additional responsibilities assisting the Vice President of State Customer Relations in providing oversight and direction to Customer Relations Managers in the department.

Previously, Ms. Mayberry served as a Senior Associate of the Taxation and Estate Planning Practice Group at the Nashville-based law firm Stokes, Bartholomew, Evans and Petree. Her experience includes intern positions at the Tennessee State Attorney General's Office; the Davidson County District Attorney's Office; Daniel, Harvill, Batson and Nolan in Clarksville, Tenn.; and Waring Cox in Memphis, Tenn. Ms. Mayberry holds a bachelor's degree from the University of Tennessee, a Juris Doctor from Vanderbilt University and a Master of Laws in Taxation from the University of Florida.

Jeb Beasley, Senior Director, State Customer Relations, CCA

Jeb Beasley joined CCA in 2004 as Senior Director, State Customer Relations, where he manages CCA's relationships with the states of Virginia, Indiana, Mississippi, Missouri, Arkansas, Oklahoma, and Alaska.

Prior to joining CCA, Mr. Beasley worked with the Nashville Area Chamber of Commerce where he served as both Director and Interim Vice President of Government Relations. He also served as the Middle Tennessee Field Representative for United States Senator Bill Frist for two years.

Mr. Beasley holds a bachelor's degree in business administration from Belmont University.

Harold Ellis, President, Public-Private Infrastructure, Inc.

Harold Ellis formed Public Private Infrastructure, Inc. to address the issues of aging infrastructure and the public's growing needs as populations continue to increase and shift. The firm's sole focus is public infrastructure and combines decades of public and private background experience to develop innovative solutions tailored to respond to the public needs.

Harold focuses his 28 years of domestic and international project development experience on integrating and facilitating teams to provide innovative solutions to public-private projects. His skills have been applied to projects of all types including correctional facilities, administrative facilities, schools, hospitals, commercial

KEY PERSONNEL RESUMES

buildings, maintenance facilities, roads, bridges and water and wastewater treatment facilities. Based on his experience and knowledge of the Public-Private Transportation Act, Harold has been invited to speak at state and national seminars addressing implementation of the Public-Private Education and Facilities Infrastructure Act of 2002. He recently shared his knowledge of public-private infrastructure development in the 2002 Excellence in Education Conference sponsored by the Thomas Jefferson Institute for Public Policy entitled "Out of the Box Ideas for K-12" and the American Bar Associations quarterly conference in Portland, Oregon.

Prior to forming his own firm, Harold held positions as Vice President of Kellogg Brown & Root Civil Infrastructure Sales, Vice President of Brown & Root Services Government Operations Sales and Vice President of Operations, Brown & Root Building Company. Harold's project experience includes lead negotiator for signing the \$1.665 billion Coalfields Expressway construction contract and orchestrating the Star Solutions team unsolicited Part 1 PPTA proposal for I-81. His other project experience in Virginia includes projects totaling approximately \$500 million for regional authorities, towns, cities and state agencies.

Kaufman & Canoles

Vince Mastracco, Partner, Kaufman & Canoles

Vince Mastracco is a partner in the firm's Commercial Section. He earned his graduate law degree at New York University, his LLB at the University of Richmond and his bachelor's degree at the University of Virginia. Vince has been instrumental in assembling many of the most significant commercial developments and public-private partnerships in Hampton Roads.

Vince is active in community organizations, serving on the Boards of Directors for SunTrust Bank, Norfolk Academy, Virginia Wesleyan College and the Virginia Foundation for Independent Colleges. He is currently Chairman of the Finance and Investment Committee for the Eastern Virginia Medical School Foundation. Vince is a founding member of Hampton Roads Partnership.

Chuck McPhillips, Partner, Kaufman & Canoles

Chuck McPhillips is a partner in the firm's Commercial Section. Chuck earned his law degree at the University of Virginia (Order of the Coif) and received a bachelor's degree from Hampden-Sydney College (Phi Beta Kappa). Chuck has successfully structured development agreements with various municipalities, and he played a leading role in expanding the foreign-trade zone throughout Hampton Roads.

KEY PERSONNEL RESUMES

An active community member, Chuck is Chairman of The Barry-Robinson Trust, President of the Virginia Stage Company, and Vice President of the World Affairs Council of Hampton Roads. He also is a member of the board of directors of the Hampton Roads Economic Development Alliance.

George Consolvo, Partner, Kaufman & Canoles

George Consolvo is a partner in the firm's Real Estate Finance Section. He earned his law degree from the University of Richmond in 1974 and an undergraduate degree from Old Dominion University in 1967. He is a member of the National Association of Bond Lawyers, the American Bar Association, the Virginia Bar Association, and the Norfolk and Portsmouth Bar Association.

George is highly regarded throughout the state for his expertise in the field of tax-exempt finance, having represented the Commonwealth of Virginia, various municipalities and public authorities, as well as numerous private clients such as hospitals and major financial institutions, in many of the most important bond-financed transactions done in this region and statewide.

Terry Murphy, Partner, Kaufman & Canoles

Terry Murphy is a partner and Chairman of the firm's Government Contracts and Construction Law Practice Group. He earned his law degree from the University of Virginia School of Law and received a bachelor's degree from the State University of New York College at Cortland. He provides a full range of government contracts and construction law services to public and private owners, general contractors and subcontractors. Terry has specific experience with the construction and procurement aspects of public-private partnership projects.

He was a member of the statewide Working Group that drafted the Model Procedures for implementation of the Virginia Public-Private Education Facilities and Infrastructure Act and is the former Chairman and a current member of the Board of Governors of the Construction and Public Contracts Law Section of the Virginia State Bar.

McGuireWoods

Frank B. Atkinson, Chairman, McGuireWoods

As Chairman of McGuireWoods, Frank focuses on state and local government relations, economic development, privatization and public-private partnerships, education, and elections and voting rights. He also has extensive experience as an attorney in the areas of constitutional, election and education law, as well as

KEY PERSONNEL RESUMES

commercial and constitutional litigation. Frank was also a member of the working group that developed the model procedures for the act required in Senate Bill 681.

In 1994-1996, Frank served in the Cabinet of former Virginia Governor George Allen as Counselor and Director of Policy. He played a major role in the leadership of Governor Allen's administration's successful policy initiatives in the areas of criminal justice, welfare reform, education, economic development and regulatory reform. During President Reagan's administration, he served as Deputy Chief of Staff to the U.S. Attorney General and in other Justice Department posts. A frequent lecturer at Virginia colleges and universities, he is the author of *The Dynamic Dominion* (1982), a primary text for university-level courses on Virginia government and politics.

Christopher D. Lloyd, Senior Vice President and Director, Business Expansion Services, McGuireWoods

Chris Lloyd leads the McGuireWoods Consulting business expansion team where he specializes in incentive negotiations, financing programs and contact with state agencies on behalf of the group's clients. He also assists with the firm's public and government relations teams and is active in working with clients on public-private partnership projects. Chris previously served for nearly five years in the Office of the Secretary of Commerce and Trade under Virginia Governors Allen and Wilder, including service as the Assistant Secretary for policy. In this position, he was responsible for legislative, budgetary, and regulatory coordination and development for the fifteen agencies within that Secretariat which oversees the state's economic development marketing, workforce training and business assistance programs.

Because of his role in the development of the PPEA and work with successful PPTA projects, Chris is a frequent speaker on the topic at national and state conferences including the National Council for Public Private Partnerships and the National Association of Counties.

ESI

Warner E. Speakman, President, ESI Companies, Inc.

With over 30 years in the construction industry, and 24 years as President of ESI Companies, Inc., Warner is responsible for overseeing all aspects of the firm's private, federal, state and local government services projects. Warner is an accredited member of the American Arbitration Association, and his vast experience and knowledge includes security design, project management, detention security construction, systems engineering, systems field installation, system fabrication, and

KEY PERSONNEL RESUMES

Johnson Controls

design/build. Additionally, Warner has extensive experience in perimeter intrusion systems, hollow metal doors, frames, and windows, communication systems, as well as hospital and industrial security systems.

Brian J. Stark, President, Controls Group, Johnson Controls

As President of Controls Group, Brian is responsible for all system products and system services worldwide. Johnson Controls is involved in the design, installation, and servicing of building control systems.

Brian joined Johnson Controls in 1972 as a Sales Engineer in the Milwaukee Branch. He has held various other positions within the company including Branch Manager in Akron, Cleveland, and Milwaukee; Vice President, Southwest Region; Vice President, Field Operations; and Vice President and General Manager, World Wide Systems & Services. In January 1997, he became Vice President and General Manager, Controls and was promoted to his current position in September 1998.

He holds a Bachelor of Science in Electrical Engineering from Milwaukee School of Engineering and completed the Northeastern University Executive Management Development Program.

John M. Barth, President, Chief Executive Officer and Chairman of the Board of Directors, Johnson Controls, Inc

Mr. Barth became Chairman of the Board of Directors on January 1, 2004, and Chief Executive Officer on October 1, 2002. Mr. Barth served as President, Chief Operating Officer and member of the Board of Directors of Johnson Controls, Inc., since 1997. Mr. Barth has been with the company 35 years.

COMMONWEALTH OF VIRGINIA

STANDARD FORM

FOR

CONTRACTOR'S STATEMENT

OF QUALIFICATIONS

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CONTRACTOR'S STATEMENT OF QUALIFICATIONS

I. General Information

1. Submitted to (agency): Virginia Department of Corrections

Address: 6900 Atmore Drive
Richmond, Virginia 23225

2. Name of Project (if applicable):
Virginia Department of Corrections Capital Improvements Program
Mount Rogers/Charlotte Co. Project

3. Type of work you wish to qualify for:

General Construction

Mechanical

Electrical

Other

Specify:

4. Contractor's Name: Centex Construction Company, Inc.

Mailing Address: 3924 Pender Drive
Fairfax, VA 22030

Street Address: (If not the same as mailing address)

Same as above

Telephone Number: (703) 273-3311

Facsimile Number: (703) 218-1332

Contact Person: Mike Phillips

Contact Person Phone Number: (703) 218-1321

State Contractor's License Number: 2705 034866A

Designated Employee Registered with the Virginia Board for Contractors:
John P. Tarpey

General Information (continued)

5. Check type of organization:

| | | |
|-------------|-------------------|---------------|
| Corporation | <u> X </u> | Partnership |
| Individual | <u> </u> | Joint Venture |
| Other | | |

6. If a corporation -

State of Incorporation: Nevada

Date of Incorporation: 1936

Federal I.D. #: 75-2302168

For Mid Atlantic region

| <u>Officers</u> | <u>Name</u> | <u>Years in Position</u> |
|--------------------------|------------------|--------------------------|
| President & CEO: | John P. Tarpey | 8 |
| Executive Vice President | Steven Smithgall | 8 |
| Assist. Secretary | Colleen Anderson | 10 |
| Treasurer, CFO | Todd Moffat | 6 |

Are you a Subchapter S Corporation? Yes No X

7. If a partnership – Not Applicable

Date organized:

Type of partnership:

List of General Partners:

| <u>Name</u> | <u>Phone #</u> | <u>Years as G.P.</u> |
|-------------|----------------|----------------------|
|-------------|----------------|----------------------|

8. If individually owned – Not Applicable

Years in Business:

General Information (continued)

9. Have you ever operated under another name? Yes X No

If yes -

Other name: J.W. Bateson General Contractor; J.W. Bateson Company, Inc.; Centex Bateson Construction Company, Inc.; Eugene Simpson & Brother; Eugene Simpson & Brother, Inc.; Centex Construction Company, Inc.; Centex-Simpson Construction Company, Inc.; Centex Construction Group Texas, Inc. (d/b/a Centex Construction Group); and Rooney Realty Corporation

Number of years in business under this name: Since July 1, 1996

State license number under this name: 2705 034866A

II. Bonding

Please have your Bonding Company execute a statement similar to the one at Attachment 1 and attach the completed and signed statement as Attachment 2 to this completed G.S.Form E&B CO-16

Please see Bonding Statement in Attachment 2.

1. Bonding Company's name: Travelers Insurance Company of America
Fidelity and Deposit Company of Maryland
Zurich American Insurance Company
- Agent: Marsh USA Inc.
Address: Thanksgiving Tower, 1601 Elm Street, #2100
Dallas, Texas 75201-4722
- Representative (Attorney-in-fact): Carmen Mims (214) 765-8528
2. Is the Bonding Company listed on the United States Department of the Treasury list of acceptable surety corporations?
- Yes X No
3. Is the Bonding Company licensed to transact fidelity and surety business in the Commonwealth of Virginia?
- Yes X No

III. Judgments

In the last ten years, has your organization, or any officer, director, partner or owner, had judgments entered against it or them for the breach of contracts for construction?

Yes _____ No X

If yes, please on a separate attachment, state the person or entity against whom the judgment was entered, give the location and date of the judgment, describe the project involved, and explain the circumstances relating to the judgment, including the names, addresses and phone numbers of persons who might be contacted for additional information.

Not Applicable

IV. Convictions and Debarment

If you answer yes to any of the following, please on a separate attachment, state the person or entity against whom the conviction or debarment was entered, give the location and date of the conviction or debarment, describe the project involved, and explain the circumstances relating to the conviction or debarment, including the names, addresses and phone numbers of persons who might be contacted for additional information.

1. In the last ten years, has your organization or any officer, director, partner, owner, project manager, procurement manager or chief financial officer of your organization:
 - a. ever been fined or adjudicated of having failed to abate a citation for building code violations by a court or local building code appeals board?
Yes _____ No X
 - b. ever been found guilty on charges relating to conflicts of interest?
Yes _____ No X
 - c. ever been convicted on criminal charges relating to contracting, construction, bidding, bid rigging or bribery?
Yes _____ No X
 - d. ever been convicted: (i) under Va. Code Section 2.2-4367 et seq. (Ethics in Public Contracting); (ii) under Va. Code Section 18.2-498.1 et seq. (Va. Governmental Frauds Act); (iii) under Va. Code Section 59.1-68.6 et seq. (Conspiracy to Rig Bids); (iv) of a criminal violation of Va. Code Section 40.1-49.4 (enforcement of occupational safety and health standards); or (v) of violating any substantially similar federal law or law of another state?
Yes _____ No X
2. Is your organization or any officer, director, partner or owner currently debarred from doing federal, state or local government work for any reason?
Yes _____ No X

V. Compliance-

If you answer yes to any of the following, please on a separate attachment give the date of the termination order, or payment, describe the project involved, and explain the circumstances relating to same, including the names, addresses and phone numbers of persons who might be contacted for additional information.

1. Has your organization:
 - a. ever been terminated on a contract for cause?
Yes _____ No X _____
 - b. within the last five years, made payment of actual and/or liquidated damages for failure to complete a project by the contracted date?
Yes _____ No X _____
2. Has your organization, in the last three years, received a final order for willful and/or repeated violation(s) for failure to abate issued by the United States Occupational Safety and Health Administration or by the Virginia Department of Labor and Industry or any other government agency?
Yes _____ No X _____
3. Have any Performance or Payment Bond claims ever been paid by any surety on behalf of your organization?
Yes _____ No X _____

VI. Experience-

If your organization has multiple offices, provide the following information for the office that would handle projects under this prequalification. If that office has limited history, list its experience first.

1. Attach a list of all projects, giving address, size and dollar value for each, that your organization has completed in the last five years. Provide for each, the name, address, and phone number, for the Owner's and Architect's contact or representative.
2. Attach a list of your organization's projects in progress, if any, at the time of this statement. At a minimum, provide project names and addresses, contract amounts, percentages complete and contact names and numbers for the architects and owners.
3. If this statement is for a particular project, identify three projects from those identified in 1 and 2 above which are most relevant or similar to the project(s) for which you are seeking prequalification.

Related experience is included in Section 1 of this Part 1 PPEIA conceptual phase proposal.

4. Describe how your firm would staff this project:

Key personnel are noted within Section 1 of this Part 1 conceptual phase proposal.

- 5 . Provide, as an attachment, a brief resume for the project manager and the superintendent most likely to be assigned to this project. Describe, for each, the background and experience that would qualify him or her to be a project manager or superintendent. Include in the resumes at least three (3) similar or comparable projects on which the proposed project manager and superintendent have served in that capacity or positions of similar or comparable responsibility within the last five years and the names, addresses and phone numbers of the Owner's and Architect's contact person for each.

Brief resumes are included in Section 1 of this Part 1 conceptual phase proposal.

VII. Signatures

The undersigned certifies under oath that the information contained in this Statement of Qualifications and attachments hereto is complete, true and correct as of the date of this Statement.

Centex Construction Company, Inc.

(name of entity submitting this Statement of Qualifications)

By: Name of Signer (print) John P. Tarpey

Signature

Title: President & CEO

Date: September 1, 2004

Notary

State of Virginia

County/City of Fairfax

Subscribed and sworn to before me this 1st day of September, 2004.

Notary Public Signature

My commission expires: June 30, 2005

Notary Seal:

Addenda to DGS Form 30-168

The following information is provided in accordance with the requirements set forth in the Commonwealth of Virginia December 2002 Procedures for the Public-Private Education and Facilities Infrastructure Act of 2002.

Mandatory Disclosure

During the past three years, has your organization had any incidences of:

bankruptcy filings

Yes _____ No x

liquidated damages

Yes _____ No x

finances, assessments or penalties

Yes _____ No x

judgments or awards in contract disputes

Yes _____ No x

contract defaults, contract terminations

Yes _____ No x

license revocations, suspensions, other disciplinary actions

Yes _____ No x

prior debarments or suspensions by a governmental entity

Yes _____ No x

denials of prequalification, findings of non-responsibility

Yes _____ No x

violations of any federal, state or local criminal or civil law

Yes _____ No x

criminal indictments or investigations

Yes _____ No x

legal claims filed by or against the firm *

Yes x No _____

* Centex Construction Company, and its predecessors, Centex Bateson Construction Company and Centex-Simpson Construction Company are involved in some claims and suits typical in the ordinary course of business. These suits primarily involve third-party liability cases, worker's compensation and pass-through claims filed by subcontractors and suppliers. Centex attempts to resolve all "Owner/Constructor" disputes in a manner that does not lead to litigation. The normal course is an attempt to negotiate all unresolved issues. Should negotiation fail, mediation or other alternate dispute resolution methods are recommended. Centex historically resolves, in the above methods, all "fact" related disputes. Litigation, the resolution choice of last resort, has occurred only on typical "insurance related" cases or on issues of substantive legal points that create clear precedence or prejudice.

Safety Past Performance Data

Fatality Incidents:

2003 = 0

2002 = 0

2001 = 0

Total Recordable Injury Rate:

2003 = 2.7

2002 = 6.3

2001 = 5.8

Experience Modification Rating:

2003 = .43

2002 = .48

2001 = .46

Total Lost Workday Incidence Rate:

2003 = .7

2002 = 1.0

2001 = .6

*lost time frequency

Signatures

The undersigned certifies under oath that the information contained herein is complete, true and correct as of the date of this Statement.

Company: Centex Construction Company, Inc.

Name of Signer: John P. Tarpey

Signature

Title: President & CEO

Date: September 1, 2004

| | | | | |
|--|---|--|-------|-------------------------------------|
| DGS-30-004 (Rev. 02/01) | <table border="1"> <tr> <td data-bbox="407 142 1320 201"> ARCHITECTURAL/ENGINEERING FIRM DATA </td> <td data-bbox="1320 142 1534 243" rowspan="2"> RFQ # </td> </tr> <tr> <td data-bbox="407 201 1320 243"> SYNOPSIS OF FIRM (CONTINUED) </td> </tr> </table> | ARCHITECTURAL/ENGINEERING FIRM DATA | RFQ # | SYNOPSIS OF FIRM (CONTINUED) |
| ARCHITECTURAL/ENGINEERING FIRM DATA | RFQ # | | | |
| SYNOPSIS OF FIRM (CONTINUED) | | | | |
| Submitted By (Firm Name): MOSELEYARCHITECTS <small>A PROFESSIONAL CORPORATION</small> | | | | |
| <p>10a) LIST STATE AGENCIES FOR WHICH THE FIRM HAS HAD A PRIME CONTRACT (within the last five years)</p> <ul style="list-style-type: none"> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p>■ Virginia Department of Corrections</p> <p>■ Virginia Department of Juvenile Justice</p> <p>■ Virginia Department of State Police</p> <p>■ Old Dominion University</p> <p>■ Virginia Tech</p> <p>■ Longwood University</p> <p>■ George Mason University</p> <p>■ Virginia State University</p> <p>■ Norfolk State University</p> <p>■ Radford University</p> <p>■ University of Mary Washington</p> <p>■ James Madison University</p> <p>■ The College of William & Mary</p> <p>■ Tidewater Community College</p> <p>■ Paul D. Camp Community College</p> <p>■ Central Virginia Community College</p> <p>■ Germanna Community College</p> </div> <div style="width: 50%;"> <p>Open-End Contract for A/E Services (10 years) Deerfield Expansion & Renovations 1,000-bed Prison - Chatham 1,000-bed Prison - Pocahontas Maximum Security Prison No. 1 & No. 2, Sussex County Fluvanna Correctional Center for Women Isolation/Segregation Building, Bland</p> <p>Open-End Contract for A/E Services (6 years) Culpeper Juvenile Correctional Center Multiple renovations/additions</p> <p>Combined Headquarters / Emergency Operations Center</p> <p>Virginia Beach Higher Education Center Ted Constant Convocation Center Engineering and Computational Sciences Building Constant Hall College of Business</p> <p>Lane Stadium Expansion/Modernization New Fine Arts Center Henderson Hall Renovation Agriculture and Forestry Research Laboratory Edward Via Virginia College of Osteopathy</p> <p>Grainger Academic Building Replacement New Student Recreation Center</p> <p>Patriot Center Renovation</p> <p>Engineering & Technology Building</p> <p>Robinson Technology Building Renovations</p> <p>Dedmon Center Planning Study</p> <p>College of Graduate and Professional Studies</p> <p>Financial Services Building Miller Hall Renovation</p> <p>Zable Stadium Expansion/Modernization Recreation Center Addition / Renovation Millington/Rogers Hall Laboratory Renovations</p> <p>Advanced Technology Center Master Plan/Feasibility Study, Phase II</p> <p>Work Force Development Center</p> <p>Manufacturing Technologies Building</p> <p>Work Force Development & Technology Training Center</p> </div> </div> | | | | |

Addenda to DGS Form 30-168

The following information is provided in accordance with the requirements set forth in the Commonwealth of Virginia December 2002 Procedures for the Public-Private Education and Facilities Infrastructure Act of 2002.

Debarment

Is your organization or any officer, director, partner or owner currently debarred from doing federal, state or local government work for any reason?

Yes _____ No X

Mandatory Disclosure

During the past three years, has your organization had any incidences of:

bankruptcy filings

Yes _____ No X

liquidated damages

Yes _____ No X

finances, assessments or penalties

Yes _____ No X

judgments or awards in contract disputes

Yes _____ No X

contract defaults, contract terminations

Yes _____ No X

license revocations, suspensions, other disciplinary actions

Yes _____ No X

prior debarments or suspensions by a governmental entity

Yes _____ No X

denials of prequalification, findings of non-responsibility

Yes _____ No X

violations of any federal, state or local criminal or civil law

Yes _____ No X

criminal indictments or investigations

Yes _____ No X

legal claims filed by or against the firm

Yes X * No _____

* We understand the potential for liability and have never failed to fulfill our financial or professional responsibilities. Disputes, if/when they occur, are resolved amicably without litigation and without placing business relationships in jeopardy, if at all possible. Although rare, unfortunately it is possible for disagreements to occur. This occurred recently with a project completed for the Accomack County School Board in 1999. Despite best efforts by both parties, a decision was made to seek litigation and allow the courts to resolve the issues at hand. We are hopeful a reasonable decision can be reached that is mutually agreed upon and in the best interest of both parties.

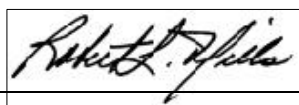
Safety Past Performance Data (if applicable)

Signatures

The undersigned certifies under oath that the information contained herein is complete, true and correct as of the date of this Statement.

Company: **Moseley Architects**

Name of Signer:



Signature

Title: **President**

Date: **September 2, 2004**

COMMONWEALTH OF VIRGINIA

STANDARD FORM

FOR

CONTRACTOR'S STATEMENT

OF QUALIFICATIONS

TABLE of CONTENTS

I General Information

II Bonding

III Judgments

IV Convictions and Debarment

V Compliance

VI Experience

VII Signatures

Attachments

CONTRACTOR'S STATEMENT OF QUALIFICATIONS

I. General Information

1. Submitted to (agency): **Centex Moseley LLC**

Address:

2. Name of Project (if applicable): **Mount Rogers Planning District and/or Charlotte Cty.**
and Project Code Number PC#

3. Type of work you wish to qualify for:

General Construction
Mechanical
Electrical
Other

Specify: **General Construction**

4. Contractor's Name: **ESi Companies, Inc.**

Mailing Address: **1877 Vanderhorn Drive**
Memphis, TN 38134

Street Address: (If not the same as mailing address)

Telephone Number: **(901) 386-7340**

Facsimile Number: **(901) 259-2828**

Contact Person: **Warner Speakman**

Contact Person Phone Number: **(901) 386-7340**

State Contractor's License Number: **2705-011692**

Designated Employee Registered with the Virginia Board for Contractors: **Mel Urban**

General Information (continued)

5. Check type of organization:

Corporation X

Partnership

Individual

Joint Venture

Other

6. If a corporation -

State of Incorporation: **Tennessee**Date of Incorporation: **May 1981**Federal I.D. #: **62-1111077**

| <u>Officers</u> | <u>Name</u> | <u>Years in Position</u> |
|-----------------|-------------|--------------------------|
|-----------------|-------------|--------------------------|

| | | |
|------------|------------------------|-----------|
| President: | Warner Speakman | 24 |
|------------|------------------------|-----------|

| | | |
|----------------|---------------------|----------|
| Vice President | Becky Hopper | 8 |
|----------------|---------------------|----------|

| | | |
|-----------|-------------------|----------|
| Secretary | Jay Phebus | 7 |
|-----------|-------------------|----------|

| | | |
|-----------|-------------------|----------|
| Treasurer | Jay Phebus | 7 |
|-----------|-------------------|----------|

Are you a Subchapter S Corporation? Yes No X

7. If a partnership -

Date organized:

Type of partnership:

List of General Partners:

| <u>Name</u> | <u>Phone #</u> | <u>Years as G.P.</u> |
|-------------|----------------|----------------------|
|-------------|----------------|----------------------|

8. If individually owned -

Years in Business:

General Information (continued)

9. Have you ever operated under another name? Yes _____ No X

If yes -

Other name:

Number of years in business under this name:

State license number under this name:

II. Bonding

Please have your Bonding Company execute a statement similiar to the one at Attachment 1 and attach the completed and signed statement as Attachment 2 to this completed G.S.Form E&B CO-16

1. Bonding Company's name: **Marsh**
Address: **1801 West End Avenue Suite 1500 Nashville, TN 37203**

****ESI HAS WORKED UNDER CENTEX SUB-GUARD PLAN ON THE LAST 6-8 PROJECTS**

Representative (Attorney-in-fact):

2. Is the Bonding Company listed on the United States Department of the Treasury list of acceptable surety corporations?

Yes _____ No

3. Is the Bonding Company licensed to transact fidelity and surety business in the Commonwealth of Virginia?

Yes _____ No

III. Judgments

In the last ten years, has your organization, or any officer, director, partner or owner, had judgments entered against it or them for the breach of contracts for construction?

Yes _____ No X

If yes, please on a separate attachment, state the person or entity against whom the judgment was entered, give the location and date of the judgment, describe the project involved, and explain the circumstances relating to the judgment, including the names, addresses and phone numbers of persons who might be contacted for additional information.

IV. Convictions and Debarment

If you answer yes to any of the following, please on a separate attachment, state the person or entity against whom the conviction or debarment was entered, give the location and date of the conviction or debarment, describe the project involved, and explain the circumstances relating to the conviction or debarment, including the names, addresses and phone numbers of persons who might be contacted for additional information.

1. In the last ten years, has your organization or any officer, director, partner, owner, project manager, procurement manager or chief financial officer of your organization:
 - a. ever been fined or adjudicated of having failed to abate a citation for building code violations by a court or local building code appeals board?
Yes _____ No X
 - b. ever been found guilty on charges relating to conflicts of interest?
Yes _____ No X
 - c. ever been convicted on criminal charges relating to contracting, construction, bidding, bid rigging or bribery?
Yes _____ No X
 - d. ever been convicted: (i) under Va. Code Section 2.2-4367 et seq. (Ethics in Public Contracting); (ii) under Va. Code Section 18.2-498.1 et seq. (Va. Governmental Frauds Act); (iii) under Va. Code Section 59.1-68.6 et seq. (Conspiracy to Rig Bids); (iv) of a criminal violation of Va. Code Section 40.1-49.4 (enforcement of occupational safety and health standards); or (v) of violating any substantially similar federal law or law of another state?
Yes _____ No X
2. Is your organization or any officer, director, partner or owner currently debarred from doing federal, state or local government work for any reason?
Yes _____ No X

V. Compliance-

If you answer yes to any of the following, please on a separate attachment give the date of the termination order, or payment, describe the project involved, and explain the circumstances relating to same, including the names, addresses and phone numbers of persons who might be contacted for additional information.

1. Has your organization:
 - a. ever been terminated on a contract for cause?
Yes _____ No X
 - b. within the last five years, made payment of actual and/or liquidated damages for failure to complete a project by the contracted date?
Yes _____ No X
2. Has your organization, in the last three years, received a final order for willful and/or repeated violation(s) for failure to abate issued by the United States Occupational Safety and Health Administration or by the Virginia Department of Labor and Industry or any other government agency?
Yes _____ No X
3. Have any Performance or Payment Bond claims ever been paid by any surety on behalf of your organization?
Yes _____ No X

VI. Experience-

If your organization has multiple offices, provide the following information for the office that would handle projects under this prequalification. If that office has limited history, list its experience first.

1. Attach a list of all projects, giving address, size and dollar value for each, that your organization has **completed** in the last five years. Provide for each, the name, address, and phone number, for the Owner's and Architect's contact or representative.
2. Attach a list of your organization's projects **in progress**, if any, at the time of this statement. At a minimum, provide project names and addresses, contract amounts, percentages complete and contact names and numbers for the architects and owners.
3. If this statement is for a particular project, identify three projects from those identified in 1 and 2 above which are most relevant or similar to the project(s) for which you are seeking prequalification.

Note: We have included information sheets for 5 recently completed projects and 5 projects in progress. Numerous other projects have been completed to date, and information can be provided upon request.

Experience (*Completed Projects*)**Job 1.**

Name: **Lower Buckeye Jail**

Address: **Phoenix, AZ**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Maricopa County Criminal Justice Facilities**

Address: **411 North Central Ave., Suite 400 Phoenix, AZ 85004**

Phone Number: **602-506-3011**

Contact:

Architect's Name: **DLR Group**

Address: **2141 East Camelback, Suite 100 Phoenix, AZ 85016**

Phone Number: **602-381-8580**

Contact: **Russ Martin**

Final or current Contract Amount: **\$19,390,191.00**

Project Description, i.e., function of building and component building systems:

Detention Security Hollow Metal Doors & Frames, Security Metal Ceilings, Security Glazing, Signal Raceway System & Branch Power Circuitry, Signal Grounding & Surge Protection Systems, Biometric & Card Access System, Master Intercom and Paging System, Recreational Television Distribution System, Local Intercom System, Control Panels, Control Electronics, Detention Equipment, Detention Furnishings, Detention Hardware, Security Access Doors, Underground Conduit System, UPS System, Nurse Call System, Fire Detection & Alarm System, Surveillance CCTV System

Experience (*Completed Projects*)

Job 2.

Name: **Alexander Correctional Institute (1000 Cell Close Security Prototype)**

Address: **Alexander County, Taylorsville, NC**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Carolina Corrections LLC**

Address: **2151 Quail Run Drive, Baton Rouge, LA 70808**

Phone Number: **225-766-3990**

Contact: **Steve Hicks**

Architect's Name: **HOK**

Address: **3223 Grace St., N.W., Washington, D.C. 20007**

Phone Number: **202-339-8700**

Contact: **James Kessler**

Architect's Name: **Latta Technical Services Inc.**

Address: **1101 E. Plano Pkwy, Suite H, Plano, TX 75074**

Phone Number: **972-633-5850**

Contact: **Alan Latta**

Final or current Contract Amount: **\$8,024,393.00**

Project Description, i.e., function of building and component building systems:

Security Metal Panel Sound Absorption System, Detention Equipment, Security Windows, Electronic Systems, Perimeter Intrusion Detection System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control Systems, Touchscreen Control and Management System, Video Surveillance Systems, Metal Detector

Experience (*Completed Projects*)

Job 3.

Name: **Lanesboro Correctional Institute (1000 Cell Close Security Prototype)**

Address: **Anson County, Polkton, NC**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Carolina Corrections LLC**

Address: **2151 Quail Run Drive, Baton Rouge, LA 70808**

Phone Number: **225-766-3990**

Contact: **Steve Hicks**

Architect's Name: **HOK**

Address: **3223 Grace St., N.W., Washington, D.C. 20007**

Phone Number: **202-339-8700**

Contact: **James Kessler**

Architect's Name: **Latta Technical Services Inc.**

Address: **1101 E. Plano Pkwy, Suite H, Plano, TX 75074**

Phone Number: **972-633-5850**

Contact: **Alan Latta**

Final or current Contract Amount: **\$7,988,744.00**

Project Description, i.e., function of building and component building systems:

Security Metal Panel Sound Absorption System, Detention Equipment, Security Windows, Electronic Systems, Perimeter Intrusion Detection System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control Systems, Touchscreen Control and Management System, Video Surveillance Systems, Metal Detector

Experience (*Completed Projects*)

Job 4.

Name: **Scotland Correctional Institute (1000 Cell Close Security Prototype)**

Address: **Scotland County, Laurinburg, NC**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Carolina Corrections LLC**

Address: **2151 Quail Run Drive, Baton Rouge, LA 70808**

Phone Number: **225-766-3990**

Contact: **Steve Hicks**

Architect's Name: **HOK**

Address: **3223 Grace St., N.W., Washington, D.C. 20007**

Phone Number: **202-339-8700**

Contact: **James Kessler**

Architect's Name: **Latta Technical Services Inc.**

Address: **1101 E. Plano Pkwy, Suite H, Plano, TX 75074**

Phone Number: **972-633-5850**

Contact: **Alan Latta**

Final or current Contract Amount: **\$8,006,542.00**

Project Description, i.e., function of building and component building systems:

Security Metal Panel Sound Absorption System, Detention Equipment, Security Windows, Electronic Systems, Perimeter Intrusion Detection System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control Systems, Touchscreen Control and Management System, Video Surveillance Systems, Metal Detector

Experience (*Completed Projects*)**Job 5.**

Name: **Replacement Facility for the Jefferson City Correctional Center**

Address: **Jefferson City, MO**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **State of Missouri**

Address: **301 West High Street, Jefferson City, MO 65102**

Phone Number: **573-751-2389**

Contact: **Gary Kemeker, Director**

Architect's Name: **H.O.K.**

Address: **211 North Broadway, Suite 600 St. Louis, MO 63102**

Phone Number: **314-421-2000**

Contact: **Paul Sedovic**

Final or current Contract Amount: **\$9,189,098.00**

Project Description, i.e., function of building and component building systems:

Metal Fabrications, Detention Equipment, Security Steel Windows, Electronic System, Intrusion Detection System, Intercom System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control System, Touchscreen Control and Management System, Video Surveillance Systems, UPS System

Experience *(In Progress)*

Job 1.

Name: **Maury Correctional Institute (1000 Cell Close Security Prototype)**

Address: **Greene County, Hookerton, NC**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Carolina Corrections LLC**

Address: **2151 Quail Run Drive, Baton Rouge, LA 70808**

Phone Number: **225-766-3990**

Contact: **Steve Hicks**

Architect's Name: **HOK**

Address: **3223 Grace St., N.W., Washington, D.C. 20007**

Phone Number: **202-339-8700**

Contact: **James Kessler**

Architect's Name: **Latta Technical Services Inc.**

Address: **1101 E. Plano Pkwy, Suite H, Plano, TX 75074**

Phone Number: **972-633-5850**

Contact: **Alan Latta**

Final or current Contract Amount: **\$3,218,000.00**

Project Description, i.e., function of building and component building systems:

Security Metal Panel Sound Absorption System, Detention Equipment, Security Windows, Electronic Systems, Perimeter Intrusion Detection System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control Systems, Touchscreen Control and Management System, Video Surveillance Systems, Metal Detector

Percent Complete: **20%**

Experience *(In Progress)*

Job 2.

Name: **Bertie Correctional Institute (1000 Cell Close Security Prototype)**

Address: **Bertie County, Windsor, NC**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Carolina Corrections LLC**

Address: **2151 Quail Run Drive, Baton Rouge, LA 70808**

Phone Number: **225-766-3990**

Contact: **Steve Hicks**

Architect's Name: **HOK**

Address: **3223 Grace St., N.W., Washington, D.C. 20007**

Phone Number: **202-339-8700**

Contact: **James Kessler**

Architect's Name: **Latta Technical Services Inc.**

Address: **1101 E. Plano Pkwy, Suite H, Plano, TX 75074**

Phone Number: **972-633-5850**

Contact: **Alan Latta**

Final or current Contract Amount: **\$3,218,000.00**

Project Description, i.e., function of building and component building systems:

Security Metal Panel Sound Absorption System, Detention Equipment, Security Windows, Electronic Systems, Perimeter Intrusion Detection System, Voice Paging System, Control Consoles, Control Cabinets and Enclosures, Control Panels, Electronic Control Systems, Touchscreen Control and Management System, Video Surveillance Systems, Metal Detector

Percent Complete: **11%**

Experience *(In Progress)*

Job 3.

Name: **CCA Leavenworth Detention Center Expansion II**

Address: **Leavenworth, KS**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Corrections Corporation of America**

Address: **10 Burton Hills Blvd. Nashville, TN 37215**

Phone Number: **615-263-3000**

Contact: **Linda Staley**

Architect's Name: **DLR Group**

Address: **400 Essex Court, Regency Park, Omaha, NE 68114-3778**

Phone Number: **402-393-4100**

Contact: **Chris Olsen**

Final or current Contract Amount: **\$999,534.00**

Project Description, i.e., function of building and component building systems:

Access Doors, Electronic Security, Graphic Control Panel, Touchscreen Interface Console, Control Matrix, Door Locking Controls, Intercom/Paging System, CCTV System, Fire Alarm System, UPS System, Perimeter System

Percent Complete: **54%**

Experience *(In Progress)***Job 4.**Name: **CCA Houston Processing Center**Address: **Houston, TX**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Corrections Corporation of America**Address: **10 Burton Hills Blvd. Nashville, TN 37215**Phone Number: **615-263-3000**Contact: **Linda Staley**Architect's Name: **Evans, Taylor, Foster, Childress**Address: **343 North Main St., Memphis, TN 38103**Phone Number: **901-525-5344**Contact: **Mike Childress**Final or current Contract Amount: **\$3,172,475.00**

Project Description, i.e., function of building and component building systems:

Steel Doors and Frames, Door Hardware, Glazing, Detention Hardware, Security Hollow Metal Doors and Frames, Security Glazing, Electronic Security, Security & Communication Conduit/Raceway Systems, Graphic Annunciator and Control Panels, Touchscreen Interface Console, Control Matrix, Door Locking Controls, Intercom/Paging System, CCTV, Camera & Monitor Matrix, Cable Television System, Addressable Fire Alarm System, UPS, Multisensor Perimeter System, Vehicle Gate Operator, Nurse Call System, Keypad Access System

Percent Complete: **45%**

Experience *(In Progress)***Job 5.**

Name: **Elliott County Medium Security Correctional Facility**

Address: **Sandy Hook, KY**

Size of Project such as: (gross square feet, height, or stories plus sub-surface levels, total cost)

Owner's Name: **Commonwealth of Kentucky**

Address: **702 Capitol Avenue Frankfort, KY 40601**

Phone Number: **502-564-3155 Ext. 222**

Contact: **Keith Bohart**

Architect's Name: **DLR**

Address: **7421 West 129th St., Suite 100, Overland Park, KS 66213**

Phone Number: **913-897-7811**

Contact: **Larry Stout**

Final or current Contract Amount: **\$9,786,584.00**

Project Description, i.e., function of building and component building systems:

Non-Security Metal Doors & Frames, Non-Security Hardware, Non-Security Glass & Glazing, Detention Equipment, Security Hardware, Security Hollow Metal, Security Glass & Glazing, Security Furnishings, Security Windows, Security & Communication Conduit/Raceway Systems, Security Systems Wiring, Data & Communication Systems, Equipment Turrets & Cabinets, Graphic Control Panels, Touchscreen Control Center, PLC, Intercom System, Paging Sound System, Non-Contact Visitation, CCTV System, CATV, Access Control System, Addressable Fire Alarm System, UPS System, Perimeter System

Percent Complete: **95%**

4. Describe how your firm would staff this project:

Staffing will be dependent on Scope of Work assigned by Centex Corporation.

5. Provide, as an attachment, a brief resume for the project manager and the superintendent most likely to be assigned to this project. Describe, for each, the background and experience that would qualify him or her to be a project manager or superintendent. Include in the resumes at least three (3) similar or comparable projects on which the proposed project manager and superintendent have served in that capacity or positions of similar or comparable responsibility within the last five years and the names, addresses and phone numbers of the Owner's and Architect's contact person for each.

Project Manager: Chris Speakman (Resume Attached)

ESi has 6-8 Superintendents qualified and capable of being assigned to this project. At this time we are unable to determine which Superintendent would be assigned this project.

VII. Signatures

The undersigned certifies under oath that the information contained in this Statement of Qualifications and attachments hereto is complete, true and correct as of the date of this Statement.

ESi COMPANIES, INC.

(name of entity submitting this Statement of Qualifications)

By: Name of Signer (print) Warner E. Speakman

Warner E. Speakman
Signature

Title: President

Date: 9/15/2004

Notary

State of Tennessee

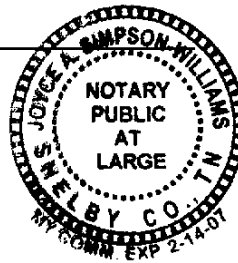
County/City of Shelby/Memphis

Subscribed and sworn to before me this 15th day of September,
2004

Joyce A. Simpson-Williams
Notary Public Signature

My commission expires: February 14, 2007

Notary Seal:



Attachments:

1. Owner's Qualification Criteria
2. Surety Statement
3. Additional information, if any, provided under Sections III, IV, V
4. Additional information provided under Section VI

Addenda to DGS Form 30-168

The following information is provided in accordance with the requirements set forth in the Commonwealth of Virginia December 2002 Procedures for the Public-Private Education and Facilities Infrastructure Act of 2002.

Debarment

Is your organization or any officer, director, partner or owner currently debarred from doing federal, state or local government work for any reason?

Yes _____ No ☒

Mandatory Disclosure

During the past three years, has your organization had any incidences of:

bankruptcy filings

Yes _____ No ☒

liquidated damages

Yes _____ No ☒

finances, assessments or penalties

Yes ☒ No _____

judgments or awards in contract disputes

Yes ☒ No _____

contract defaults, contract terminations

Yes _____ No ☒

license revocations, suspensions, other disciplinary actions

Yes _____ No ☒

prior debarments or suspensions by a governmental entity

Yes _____ No ☒

denials of prequalification, findings of non-responsibility

Yes _____ No ☒

violations of any federal, state or local criminal or civil law

Yes _____ No ☒

criminal indictments or investigations

Yes _____ No ☒

legal claims filed by or against the firm

Yes ☒ No _____

Safety Past Performance Data (if applicable)

Signatures

The undersigned certifies under oath that the information contained herein is complete, true and correct as of the date of this Statement.

Company: *ESI Companies, Inc.*

Name of Signer: *WARNER SPEAKMAN*

Signature *Wa Speakman*

Title: *President*

Date: *9/15/04*

Addenda to DGS Form 30-168

The following information is provided in accordance with the requirements set forth in the Commonwealth of Virginia December 2002 Procedures for the Public-Private Education and Facilities Infrastructure Act of 2002.

Debarment

Is your organization or any officer, director, partner or owner currently debarred from doing federal, state or local government work for any reason?

Yes _____ No X

Mandatory Disclosure

During the past three years, has your organization had any incidences of:

bankruptcy filings

Yes _____ No X

liquidated damages

Yes X No _____

fines, assessments or penalties

Yes _____ No X

judgments or awards in contract disputes

Yes X No _____

contract defaults, contract terminations

Yes _____ No X

license revocations, suspensions, other disciplinary actions

Yes _____ No X

prior debarments or suspensions by a governmental entity

Yes _____ No X

denials of prequalification, findings of non-responsibility

Yes _____ No X

violations of any federal, state or local criminal or civil law

Yes _____ No X

criminal indictments or investigations

Yes _____ No X

legal claims filed by or against the firm

Yes X No _____

Safety Past Performance Data (if applicable)

Signatures

The undersigned certifies under oath that the information contained herein is complete, true and correct as of the date of this Statement.

Company: Johnson Controls, Inc.

Name of Signer: James D. Jordan, Jr.

Signature

Title: Branch Manager

Date: September 2, 2004

SECTION 2

PROJECT CHARACTERISTICS

Project
Description

Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type and intent of the project, the location and the communities that may be affected are clearly identified.

Based on our understanding of the Virginia Department of Corrections' needs for additional bed capacity and improved operational efficiency, we have outlined the following proposed project scope. This scope was developed from assumptions made after conversations with DOC representatives, and from our team's current design work on the Pocahontas and Chatham projects. We are open to modifying the project scope once we have gathered more information on the Department's specific requirements. Moreover, the financing plan described in Section 3 is flexible enough to accommodate all modifications the DOC suggests.

BASE PROPOSAL**New Level 3 Correctional Facilities - Mt. Rogers Planning District and Charlotte County**

Proposed is two Level 3 correctional facilities containing approximately 1,024 beds each. The facilities will be similar in design to the Pocahontas and Chatham Level 3 prototypes. These two facilities were selected as models because they closely represent the DOC's greatest need in terms of the type of space and classification. They also represent current "best practice" design for staff efficiency and construction economy. The prototype design will continue to be updated and modified incorporating DOC's latest systems and operational requirements.

The facility would be of one-story construction and consist of the following main buildings: administration/visitation, programs/support (intake holding, medical, food service, education, library, vocational training, laundry, commissary, and recreation), gatehouse at the vehicle sallyport, four housing units, and a warehouse. Each housing unit would contain 128 cells, divided into three pods. Each pod would have direct observation by staff from one common control point. This housing unit would be modeled after the Lawrenceville facility as modified during the design of the Pocahontas and Chatham facilities. The buildings would be arranged in a campus plan similar to Pocahontas that maintains good sight lines.

It is proposed that all buildings be precast concrete structures with built-up roofs and concrete floor slabs. Interior construction will consist of masonry partitions

SECTION 2 PROJECT CHARACTERISTICS

and secure roof/ceiling assemblies to meet DOC requirements, with finishes specified by the DOC.

The housing units will consist of precast concrete or reinforced masonry cells. Areas over the dayrooms and the central core will be framed with precast structure and have built-up roofs. Floors will be sealed concrete. Finishes will be coordinated with the DOC.

The warehouse will be configured to meet the DOC's requirements for rack storage. An automatic sprinkler system will be provided and coordinated with the layout of the racks to provide adequate coverage.

Other features of the proposed design include:

- Building Automation System (BAS) to monitor HVAC systems.
- Stainless steel toilet fixtures in all cells and stainless steel showers in inmate areas.
- Auger Monster.
- Wastewater treatment plant.
- Water treatment plant and on-site water storage tank (DOC has indicated they do not like to be totally dependent on the locality for domestic and fire water service. However, the proposed institution can help supply the water needs of the local community).

Additionally, items have been identified as desirable features to explore further with DOC as budget allows. (See Volume II)

The proposed sites will be in the Mount Rogers Planning District and Charlotte County. Our project team will provide engineering and analysis of the site development costs such as soil conditions, utilities, permitting, and local resource availability upon site approval by the DOC (see Volume II).

OPTIONS

While we have outlined the projects above in order to provide a baseline package, the concept of our team is to provide flexible design, development and financing, allowing for options as mutually agreed. (See Volume II).

APPROACH

Centex will implement the controls and provide the oversight necessary to manage

SECTION 2 PROJECT CHARACTERISTICS

this complex undertaking. The project will be managed as an overall program, but each specific component within the project will have its own CPM to identify milestone dates to assure schedule completion.

We will use a design/build approach to construction with design and construction phases overlapping and early release of civil to accelerate construction start dates.

In assembling this team, our goal has been to bring together highly qualified architects, engineers, constructors, developers and financiers that can serve as an extension to DOC staff for the purpose of brainstorming options.

MANAGEMENT OPTIONS

In order to provide maximum flexibility for DOC, we are also providing an option that allows DOC to select private operation for one or both of the proposed facilities. CCA is proposing a complete and highly competitive management option for the proposed facilities. This management proposal includes a full turnkey package, complete with security, training, health services, food services, information technology and inmate programs. Excellence in each of these areas is assured by the application of a Quality Assurance Plan that provides continuous self-monitoring through a thorough and comprehensive structure. A detailed summary of key elements of our management proposal are included at the end of Section 2.

Work by Public Entity

Identify and fully describe any work to be performed by the public entity.

For our proposal to be a success, it is important for our team to collaborate closely with the Virginia Department of Corrections. We envision the DOC will perform the following activities:

- Design standards - our team will utilize standards and design criteria as well as plans and specifications developed for Pocahontas and Chatham.
- Site selection - the DOC will provide review and approval of the final sites selected.
- Design review and approval - the DOC will provide review and approval as noted within the Commonwealth's PPEA Procedures.

SECTION 2 PROJECT CHARACTERISTICS

- Performance requirements and parameters and programming initiatives - our team will utilize performance requirements and parameters as approved by DOC and included in special requirement and contract documents for Pocahontas and Chatham.
- Construction oversight/site representation - a key ingredient for the successful turnover of completed facilities, the DOC will provide full-time, on-site representation, at a staffing level consistent with the scope and complexity of each project.
- FF&E - the DOC will identify fixtures, furnishings and equipment, noting any requirements for DOC-produced goods.
- Administration/pay application review, approval and acceptance - the DOC will perform their traditional approval and acceptance functions utilizing standard Commonwealth 2004 CO forms.

Permits and Approvals

Include a list of all federal, state and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.

Because the exact sites have not been approved, a realistic schedule outlining required permitting cannot be prepared at this stage of the process. Once project sites have been further defined, we will prepare a schedule outlining permits to be filed in accordance with local, state and federal building codes and ordinances.

Anticipated Adverse Impacts

Identify any anticipated adverse social, economic and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project. Indicate if an environmental and archaeological assessment has been completed.

We do not anticipate any significant adverse social, economic or environmental impacts arising from any of the proposed categories of projects. Once the DOC identifies preferred sites for undertaking renovation and new construction activities, we will carefully assess site conditions and community sentiment and recommend courses of action to minimize any potential adverse impacts. Environmental and archaeological assessments have not been completed because the specific sites have not yet been approved.

SECTION 2 PROJECT CHARACTERISTICS

Projected Positive Impacts

Identify the projected positive social, economic and environmental impacts of the project.

Our team's proposed program provides significant positive impacts. The major social impact is enhanced safety, resulting from mitigating overcrowded conditions in the jails that accommodate state prisoner overflow.

Economic benefit will be realized on statewide and community levels. As a tool to get projects financed and built, our proposed program enables the Commonwealth to obtain much-needed correctional facilities at reduced costs

Locally, construction jobs will be created and the businesses that perform construction work or supply materials will increase their business opportunities. New facilities will create approximately 200 to 325 additional jobs. (See further detail in Section 4)

Schedule

Identify the proposed schedule for the work on the project, including estimated time for completion.

Recognizing the DOC's need to add up to 1,000 beds per year statewide for the foreseeable future, we developed a conceptual schedule that shows completion of the initial group of beds in mid 2008, with the full inventory expansion coming on line by mid 2009. The dates can be accelerated or delayed to meet DOC needs. This time frame represents a significant compression of the timeline required to build expanded capacity under the Commonwealth's traditional authorization/fund/design/bid/build process.

The schedule included in Volume 2 is conceptual for the purposes of this phase I proposal. The final schedule will depend on procurement activity as well as the DOC's agreement on scope and siting of projects.

Contingency Plans

Identify contingency plans for addressing public needs in the event that all or some of the project is not completed according to projected schedule.

Delays in bringing added capacity on line will be addressed by continuing to use local facilities to accommodate overflow inmates. For renovation projects, we plan to work closely with the DOC to assure that ongoing operations are not interrupted.

SECTION 2 PROJECT CHARACTERISTICS

Risk and Liability

Propose allocation of risk and liability for work completed beyond the agreement's completion date and assurance for timely completion of the project.

Our team is prepared to assume performance risks for total construction and willing to provide guarantees for those risks. The firm has never failed to deliver a project to the client's satisfaction.

Ownership, Liability, Operation, Restrictions

State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on the public entity's use of the project.

The facilities we are proposing to build and renovate are for the Commonwealth's use and there are no restrictions on usage. Legal liability, law enforcement and operation will continue to be the responsibility of the Department of Corrections and/or CCA. Discussion of ownership is included in Volume 2.

Phasing

Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.

We do not anticipate any partial openings, but there will be phased turnover of facilities, as noted in the schedule.

We wish to reiterate that the proposed project scopes outlined in the beginning of this section represent our understanding of the Virginia Department of Corrections' needs, but that we are open to modifying the project scopes once we have gathered more detailed information from the DOC.

CORRECTIONS CORPORATION OF AMERICA

DETAILED SUMMARY OF MANAGEMENT PROPOSAL

ITEM ONE

FACILITY ACTIVATION

Certain values have always defined CCA's approach to business: high quality, safety and security, a dedication to innovation in programs and services, and the preservation of dignity and mutual respect between our staff and the inmates in our care. We are dedicated to expanding our learning opportunities for staff and inmates alike through the application of new technology and teaching approaches. We are committed to innovation at all levels of the company, from facility activation to programs and services offered at the facility to our company's business model and long-term goals.

CCA's past experience with previous projects in Virginia proved to be a successful and rewarding part of the company's management record, during both the activation phase and on-going facility operations. The start-up or activation of a new facility is always a test of not only the facility operator but also the facility construction and design. The Commonwealth of Virginia and the DOC should expect, and CCA will provide, excellent corrections service from the first day of operation.

The following performance outcomes have been identified for the activation phase:

- **Communication:** All CCA staff involved in project activation will be kept apprised of project tasks and associated deadlines to ensure that activities are completed in a timely manner. The work of on-site activation staff will be coordinated to ensure that they understand their role in the activation process.
- **Executive Staff:** All key executive staff will be on site and ready to begin work in accordance with a mutually agreed upon schedule.
- **Business Systems:** The business office, bank accounts, purchasing procedures and computerized communications will be established at the beginning of the activation period.
- **Staff Recruitment:** Recruitment of staff will begin at the start of the activation period. All line staff will be processed and given conditional approval for entering on duty prior to the first day of their scheduled training, subject to background check results and any other CCA and DOC hiring requirements and approvals.
- **Physical Plant:** All mechanical systems will be operational and any required modifications will be completed within the activation period.
- **Equipment Delivery:** Delivery of equipment will be coordinated with the staff reporting schedule to ensure that appropriate staff (i.e. warehouse, maintenance, etc.) are on site and available to receive and distribute equipment for the facility.
- **Policy and Procedure Development:** The policy and procedure manual will reflect all contract requirements and incorporate necessary DOC program statements. All policy and operational manuals will be submitted for review as required in a timely manner.
- **Training:** The training schedule will be in place at the beginning of the activation period and lesson plans will meet CCA, ACA and DOC program statements.
- **DOC Coordination:** CCA will stay in close communication with the DOC during the activation process, addressing any issues that may arise and providing progress updates regularly as required.

Open top to bottom communications through the chain of command is a company priority, and CCA employs a variety of methods to foster good internal and external communication. In addition, our executive management team regularly visits CCA facilities to meet with wardens and staff.

For this project, CCA will use the model successfully employed in other transitions with the Project Coordinator and senior management staff (Warden, Assistant Wardens) working together, but each with his/her own duties and responsibilities. In this model, the Project Coordinator's role will be to oversee the transition into the facility of supervising members of the activation team; and to coordinate issues related to the contract, working closely with the design and construction team who are responsible for completing the facility construction, and assisting the Warden and Assistant Warden in screening, interviewing and hiring the remaining senior management (i.e. department heads) team.

Weekly, at a minimum, activation progress reports will be created by CCA's on-site Project Coordinator. These reports will be submitted directly to the facility's Divisional Managing Director, who serves as a liaison with other corporate departments, and is responsible for ensuring that activation goals at the facility level are met. Weekly, at a minimum, the Project Coordinator, Divisional Managing Director and Warden will confer with the Vice President, Facility Operations, to discuss activation issues. At the end of the activation period, a report will be generated discussing the completed process.

The Project Coordinator will report directly to Jimmy Turner, Vice President, Facility Operations, the highest ranking individual in CCA's Operations department. During the activation period, the Project Coordinator will be the highest-ranking CCA professional based at the facility and he will supervise and support the Warden. Investing the Project Coordinator with maximum authority and responsibility will minimize confusion and avoid ambiguity over conflicting lines of authority.

The Project Coordinator and his activation team will support the Warden allowing him/her to focus on operational issues that must be resolved prior to accepting inmates. As the activation progresses, the Warden will assume responsibility for developing and/or revising policies and procedures, developing the security manual and post orders, housekeeping plans, work order system, etc. - all activities related to the ongoing operation of the facility.

The expectation of excellence in corrections should continue once ramp up is complete and the facility has begun operating on a normalized daily operating schedule. At such time, CCA's extensive, on-going Quality Assurance Program can be relied upon to ensure the facility is meeting established and sound correctional goals and policies. CCA will remain flexible in its approach to the project in order to better serve the DOC.

ITEM TWO

SECURITY AND OPERATIONS

CCA knows that safe, secure institutions are the most important aspect in corrections management. Without it, other facility operations become difficult or impossible to efficiently sustain. That's why CCA places the highest priority on maintaining security at our institutions. A safe, secure institution not only provides an atmosphere where both employees and inmates can work and live to enhance their inside community, but it also enables the facility to become a better neighbor in the outside community. CCA utilizes several criteria which combine to provide a unified approach to ensuring security with measurable results. These include:

- ? **Quality Assurance** – CCA oversees compliance requirements for its facilities through a corporate Quality Assurance department. Managers make on-site visits to assess facility operations, including security. In addition, the facility shall also have an on-site quality assurance manager who monitors security and all facility operations.
- ? **Staffing** – Ensuring that an adequate number of employees are in place at the facility, and in the appropriate positions, can be critical to maintaining security and control. In considering staffing needs, CCA's first priority is to preserve the safety and security of the public, staff and inmates. CCA staffing patterns are designed to encompass all components of facility operations and administration.
- ? **Audits** – Wardens are required by CCA policy to make monthly inspections of all aspects of security operations with results reported directly to corporate management. In addition, security audits are performed at least annually at all CCA facilities. Audit teams include corporate and management level employees from outside the facility who make on-site inspections of all areas of security.
- ? **Accreditation** – CCA facilities are operated by the standards of the American Correctional Association. Security measures are continually scrutinized to ensure they meet or exceed the standards required by ACA.
- ? **Training** – Security staff are provided both pre-service and annual in-service training that meets or exceeds the standards required by the American Correctional Association and is in accordance with any applicable requirements of the contracting agency.
- ? **Inmate Programs** – Inmate programs are provided at CCA facilities to encourage behavior modification through education, self-help programs and vocational training, as well as any contractual requirements. These programs enhance the facility environment, increasing stability among the inmate population.
- ? **Innovation** – CCA continually looks for better, more innovative ways to utilize staff in a manner that increases security, takes advantage of available technology and provides a climate to improve the work and living environment of both the inmate and the employee.

KEY CONTROL

CCA is committed to ensuring safety of the staff, inmates and the general public by establishing procedures for the control and accounting of facility keys. In order to provide a system of

accountability and smooth operation for key control which balances both safety and security, policies and procedures are necessary.

In accordance with policy, one staff member, chief of security level or above, will be designated Key Control Manager and have overall responsibility for key control management. This includes maintaining the Key Inventory, issuance of duplicate keys, replacement of damaged or broken keys and quarterly inventory of the overall key control procedure.

Central Control has responsibility for day to day management of the keys, issuing the keys, receiving a chit in return for the keys, maintaining the Key Control Log and determining that all the keys are accounted for. A minimum of two complete sets of keys will be maintained at the Facility.

Central Control will maintain all keys not permanently issued. Permanently issued keys will be maintained at the post or with the person the key was issued to.

All keys and key rings maintained in Central Control will be placed on a key board or box that has enough hooks for all keys maintained in Central Control. There will also be a hook for each permanently assigned key or key ring. Each hook will have a number which corresponds to the number on the key or key ring. If keys are permanently assigned the key board shall contain a chit identifying the permanent location and the number of the keys at that location.

All key rings will have a tag on the ring indicating the number of keys contained on it. If a key is removed or added to the key ring, the tag shall be changed immediately to reflect the new number.

The following procedures will be followed when issuing keys:

- Before any key can be removed from Central Control, the Central Control Officer shall identify the person requesting the key.
- Whenever the Central Control Officer issues a key, he will receive a chit from the person receiving the key and place it on the hook from which the key or key ring has been removed.
- If the key is restricted, the Central Control Officer must look at the Key Inventory before release to determine that the person requesting the key is authorized to receive it.
- The Central Control Officer will log the necessary information in the Key Control Log.
- Upon return of the key, the Central Control Officer will return the person's chit, replace the key on the hook, and log in the return time in the Key Control Log.

TOOL CONTROL

It is the policy of CCA to allow staff members access to various tools and mechanical equipment as required in the daily operation of the facility. A system of internal accountability is established, thereby ensuring the safe and proper use, inventory, and storage of all tools and mechanical equipment. All tools will be engraved and numbered as required.

The Chief of Security is responsible for enforcing tool control policies, and will make the determination as to the security classification of all tools. The Chief of Security will approve a memo to advise Work Area Supervisors of designated Class "A" tools. The Chief of Security will appoint the Tool Control Supervisor.

The Tool Control Supervisor will receive all tools from any and all sources. He/she will inventory all incoming tools, engrave them, and distribute the tools to their assigned areas. No tools are to be procured or delivered to this facility without the approval of the tool control supervisor.

The tool control supervisor will maintain a master inventory/log of all tools used in each department and shall be responsible for auditing all tool inventories, including verification of location of tool storage, security of tools, proper use of tools, and overall tool accountability.

All tools shall be stored in a secure manner with controlled access to them, and in such a way that if a tool is out of place, it can be easily noticed.

Department supervisors are to ensure that all tools signed out are accounted for and returned by the end of the workday. The Tool Control Supervisor will inspect the Daily Sign-Out/Sign-In Log and tool storage areas. This will be documented at the bottom of the Log. Weekly, monthly and quarterly tool reports are completed and the department supervisor, tool control officer and chief of security or assistant warden, respectively. Additionally, the warden and chief of security conduct a monthly audit of all tool storage locations to ensure that procedures are being followed.

INMATE SEARCHES

Frequent and unannounced searches of detainees, cells and other areas will be conducted as often as necessary, at the direction of the Shift Supervisor or Unit Manager, to ensure the safety and security of both all facility areas. Facility Policy 9-5, Searches of Inmates [Detainees] and Various Locations, discusses the procedures governing searches of detainees and the facility. Searches will be conducted in such a manner that avoids unnecessary force, embarrassment or indignity to the detainee. Only contraband items will be confiscated.

Every detainee will be searched upon his reception into the facility and upon his return to the facility from court, the hospital or outside medical appointments.

CONTROL OF CONTRABAND

CCA takes seriously the security risk created by the introduction of contraband into its facilities. Policies and procedures on searches and inspections, as well as staff trained in search techniques, are designed to inhibit the illegal entry of contraband in accordance with ACA Standards and DOC policies.

All persons and vehicles entering the grounds of the facility shall be subject to search. Firearms, weapons, drugs and alcohol are prohibited, and violators will be prosecuted. Visitors will not enter any area of the institution except approved visitation areas and approved routes to and from those areas.

CCA will conduct thorough searches for contraband as directed by DOC of all inmates living areas and all areas where inmates have access. All vehicular traffic and supplies entering and leaving the secure facility will be searched according to policy. Inmate searches will be unannounced and conducted at times that will cause the least amount of disturbance to the housing units with minimal disturbance to the inmate's possessions.

Only contraband items will be confiscated and documented according to policy and procedures. Records of searches will be prepared and maintained accordingly.

TRANSPORTATION

The movement of inmates requires systematic procedures that provide for the safety of the public and staff. The facility will utilize established procedures for transporting inmates outside the institution, including proper searches, counting, safety, supervision during transportation and the use of restraints. Inmates will be transported in a safe, secure and humane manner, under the direct supervision of staff. A sufficient number of staff will be provided for the transport based upon the number of inmates being transported.

INMATE COUNT PROCEDURES

The physical accountability of inmates is a primary mission of all facility staff. To ensure accountability, frequent and accurate counts shall be made. Formal counts will be made at least twice per each day and evening shift and at least three times per each night shift, with a minimum of seven formal counts in a twenty-four hour period. One of the formal counts must be a standing count.

SECURITY THREAT GROUPS (STG)

It is CCA policy to pro-actively manage Security Threat Groups (STG) through zero-tolerance and suppression of all STG activity at CCA facilities. This will be accomplished through standardization of monitoring, identification and other operations that limit the disruptive actions of their members and leaders. Inmates are prohibited from participating in such groups and will not be allowed to intimidate and control other inmates, staff or the public while in CCA custody.

A designated STG Officer shall gather, share and manage on-going intelligence on STGs, and their members. There shall be a common network amongst all STG officers regarding current trends and incidents within the inmate population. Intelligence information will be gathered at each CCA facility relative to STGs criminal, or disruptive, activity. The STG officer will collate and track all intelligence information. The Warden shall approve the sharing of all information internally or externally. This information shall be collected by utilizing various sources, to include but not limited to the following:

- Inmate phone monitoring;
- Inmate mail, both incoming and out-going;
- Inmate visitors;
- Inmate banking;
- Confidential informants;
- Contracting agencies;
- Law enforcement/Corrections; and
- Other related agencies.

CCA will manage STG activity in accordance with company policy and the contractual agreement. All CCA facilities will explore the ability to manage active STG members and suspects with special housing, restriction of privileges, and other approved correctional methods to enforce the zero-tolerance policy.

USE OF FORCE

CCA makes every effort to prevent and defuse situations that might require the use of force. If at all possible, non-forceful means (verbal intervention, negotiation, show of force, etc.) will be attempted before using force as a last resort. Verbal provocation alone will not justify the use of physical force.

The law requires that any use of force be reasonable and necessary. This means that the extent of force used must only be that which is necessary to protect the lives of self and others, to maintain or restore security and order and/or to prevent escape from the facility or on an escorted trip or transport, except where the Commonwealth may require that imminent danger exist prior to the use of deadly force.

Physical force used by CCA's prison personnel for preventative rather than punitive purposes is not — at least to the extent that it is reasonable in degree — “cruel and unusual punishment.” In determining whether corrections personnel's use of intentional force against an inmate is permissible under the Constitution, the U.S. Supreme Court, in Hudson v. McMillan, directed all federal courts to examine the following five factors when evaluating a use of force incident: the extent of the injury suffered by the inmate, the need for the application of force, the relationship between that need and the amount of force that was used, the threat reasonably perceived by the personnel and any efforts made by officials to temper the severity of a forceful response.

The use of any type of force for punishment or reprisal, or which is unnecessary or excessive, is strictly prohibited. The amount and type of force used will be the minimum amount necessary to control the situation/individual and then only as a last resort, consistent with the safety of the public, staff and inmates.

CCA personnel will be authorized to use force only if procedures for its use have been specifically set out in policy and approved in advance by the Vice President, Operations and the General Counsel and the employee has successfully completed training in its use. Requests for purchase of any type use of force equipment will be forwarded to the Vice President, Operations for review as to compliance with this policy prior to an obligation for purchase being made.

Chemical and Inflammatory Agents Training

CCA personnel authorized to use chemical and/or inflammatory agents are trained in the appropriate use of chemical/inflammatory agents, the effects of exposure, first aid treatment for exposure and decontamination methods, knowledge of the proper procedures involved in the safe loading and delivery of these agents, and the risk involved in utilization of different types of agents.

Firearms Training

CCA personnel authorized to use firearms receive appropriate firearms training. Personnel authorized to use firearms must successfully complete the basic firearms training course and must re-qualify annually.

SPECIAL OPERATIONS AND RESPONSE TEAM (SORT)

It is the policy of CCA to provide an adequate number of properly trained individuals to respond to fire, escape, hostage situations, disturbance, power failure, or any other incident that may arise. Personnel assigned to the Special Operations and Response Team will have at least one year of experience as a correctional officer and will receive specialized training.

Special Operations and Response Team training includes the following:

- Hand signals;
- Firearms qualifications;
- Use of chemical and inflammatory agents;
- Use of force/deadly force;
- Incident Response plan review;
- Baton exercises and squad formations;
- Cell extractions;
- Warning signs of a disturbance;
- Defensive tactics review; and
- Professionalism.

Each member of the Special Operations and Response Team must also successfully complete all training specified in the Pre-Service Orientation and Correctional Officer Basic Training Program. The corporate managing director of staff development and training approves all training curricula within CCA, including all use of force and Special Operations and Response Team training curricula.

Training of CCA personnel on any use of force products/equipment that are not approved in the facility's Use of Force policy is prohibited. Any use of force training conducted outside of the local facility and/or in conjunction with other CCA facilities or outside agencies will be coordinated in advance through the corporate managing director of staff development and training.

EMERGENCY PROCEDURES

Each facility maintains an emergency incident response plan that addresses procedures to be followed in the event of any circumstance that threatens the overall order and normal operation of the facility including, but not limited to, the following events:

- Disturbance;
- Fire;
- Violent Death of Staff or Inmates;
- Hazardous Material;
- Bomb Threat;

- Escape Procedure;
- Hostage Situation;
- Assault from the Outside/Terrorist Activity;
- Natural Disasters;
- Medical Emergencies;
- Total Evacuation;
- Partial Evacuation;
- Work Stoppage; and
- Inclement Weather.

The plan utilizes an Incident Management Team (IMT) approach which controls field emergency response operations by establishing functional areas under the direction of an Incident Manager. The IMT is the combination of facilities, equipment, personnel, procedures, and communications operating within a common organizational structure with responsibility for the management of assigned resources to effectively accomplish Commonwealth objectives pertaining to an incident. The IMT is designed to be in use from the time an incident first occurs until the requirements for management no longer exist. The structure of the IMT can be established and expanded depending upon the changing conditions of the incident. It is staffed and operated by qualified correctional personnel from CCA and may involve personnel from a variety of outside agencies.

As such, the system can be utilized for any type or size of incident, ranging from a minor disturbance involving a single unit, to a major incident involving several agencies. The IMT allows agencies to communicate using common terminology, to share goals and tactical objectives, and to understand the roles and responsibilities of others. It also allows for the combining and management of resources during an incident.

ITEM THREE

INMATE PROGRAMS

Introduction

CCA is the industry leader in the field of private adult correctional facility operations. No aspect of facility operations is more critical—both to those who are entrusted to our care and to the members of the public to which our charges will likely return—than the delivery of meaningful correctional programming. The quality of program opportunities that we provide, we believe, is an important factor in determining whether inmates will succeed after release, a factor only exceeded in importance by the inmate’s own willingness to change.

The educational opportunities described below will be offered in coordination with and oversight of the Department of Correctional Education.

Philosophy

CCA’s role is to provide quality corrections services in partnership with government. Our government customers rightly demand that our services meet rigorous quality standards. In fulfillment of this expectation, CCA education programs must increase students’ academic skills by measurable amounts; vocational programs must increase students’ job-related employment and occupational skills; and our treatment programs must produce documented changes in criminal thinking.

Mission

CCA strives to provide the most effective inmate programs possible, validated by objective measures, and cost-effectiveness. The validation of program quality mandated by this mission challenges CCA to identify and deploy tools for measuring program effectiveness, using bases such as research-based validation, standardized testing, and evidence-based best practices.

Programs Experience

CCA’s commitment to the development of superior education programs is exhibited by the existence of a program-specific, corporate-level department at CCA—an uncommon office among private corrections companies. Under the leadership of the Vice President of Inmate Programs, CCA’s academic education programs range from fundamental adult education and GED preparatory programs, to for-credit adult high schools, and even to full-scale juvenile institution secondary schools. CCA’s vocational programs include basic job training courses, college-level certificate and for-credit programs, and secondary-level for-credit courses.

Experience Working with Third Party Program Providers

CCA has extensive experience in the management of facilities where some or all programmatic services are provided by third parties. It is conceivable that the CommonwealthDOC envisions a facility in which a portion of inmate programs, primarily in the area of educational and vocational programming, will be provided by third party agencies. CCA has operated several facilities in which

we are charged with cooperating with local school district partners who provide some or all of the educational services. In these facilities, CCA has developed a comprehensive approach to managing enrollment, attendance, school security, reporting, and other key areas. This approach enables the local education agency (LEA) to focus on the delivery of educational and vocational services, rather than becoming mired in the mechanics of prison operations. This experience will be most helpful if the Commonwealth DOC prefers that education programs be provided by the Commonwealth's Department of Correctional Education (DCE), rather than by CCA.

CCA PROGRAMS

CCA's program design represents a full range of opportunities for inmates to participate in rehabilitative activities. Below is an overview of the programs that will be discussed in greater detail throughout this document:

Workforce Services

CCA links inmates to resources available from community workforce services. Workforce Services include community resources that allow inmates access to services that assist the inmate while incarcerated and upon release. Services include labor market information, job placement, family support, childcare resource and referral, training and professional development.

Education

For inmates who possess neither a GED nor a high school diploma, CCA education programs provide multi-level academic education. Using assessment data and information supplied by staff, the education staff will place inmates in programs that target their individual needs.

Vocational Education

Vocational training programs offer inmates the opportunity to build employment potential. Curriculum is competency-based and allows open-entry and open-exit.

Cognitive Skills Programs

The cognitive skills programs will focus on the development of interpersonal reasoning skills for effective life management. The goal of these programs is to modify the impulsive, egocentric, illogical and rigid thinking of inmates.

Substance Abuse Programs

CCA has residential and non-residential programs that will address the needs of inmates who have substance abuse problems. CCA will match the type of treatment with the characteristics of each inmate with a substance abuse programming need.

Integration/Stability Programs

Integration/Stability Programs will be available to provide success upon release from the correctional facility. These programs equip inmates with skills for survival and success in the free-world.

Faith-Based Programs

In addition to traditional chaplaincy services, CCA has extended the reach of faith-based programming in the form of residential communities, inviting faith-based organizations to host events at our facilities, and providing space for charitable purpose programs.

Library

The facility library will provide access to current and appropriate information resources to ensure that all inmates, students, teachers, and staff are effective users of ideas and information

Recreation

Recreation programs will provide the inmates with an organized, year-round program that builds character through the development of teamwork, discipline, integrity, and sportsmanship.

Work Programs

In addition to traditional self-improvement program assignments, CCA provides work programs that reduce inmate idleness. Meaningful work assignments will be designed to enhance inmates' abilities and personal development in the correctional setting, but strongly resembling the community to which the inmates will eventually return.

Industry Programs

Prison Industry programs offer inmates worthwhile employment opportunities that will complement existing skill sets and teach new skills. CCA will actively partner with companies to establish industries that benefit the community and inmates.

Coordinating Community Resources

CCA recognizes the importance of planning in the coordination of community resources for the benefit of incarcerated individuals. CCA's experience has shown that a dedicated staff is necessary to address the specific needs of community agencies. Common functions will include processing necessary records; facilitating the participation of inmates; scheduling events; ensuring appropriate space and security staff is available; and acting as a point of contact for community resource representatives. If the Commonwealth requires it DOC prefers, CCA will fashion a written plan to coordinate community resources including workforce services, educational services, vocational services, cognitive skill education, substance abuse programs, and family support integration/stability programs.

Program Staff and Space

One of the challenges of successful program delivery is ensuring that sufficient resources are built into the initial facility design in both the human resource and physical plant areas. CCA's extensive experience in the development, construction, and management of correctional facilities has taught us that facility needs in the program area change over time, thereby forcing facility managers to modify, replace, and extend the facility's program components to better meet the needs of the institution's population. It is for this reason that CCA strives to build flexibility into its resource planning. This flexibility is informed by not only operational experience, but also sound correctional policy and time tested best practices from the broader field of habilitative and rehabilitative programming.

While many of these standards may be cooperatively modified by third party agencies assigned to provide programming, these guidelines determine both physical plant and human resource allocation decisions, many of which will be made in the design stage. Some of the guidelines that CCA will follow include:

- Behavioral program groups will be limited to a facilitator-to-client ratio of 1:12, ensuring a high degree of interaction.
- Group rooms will be designed to have ample space, while still facilitating privacy and confidentiality.
- Educational classes will be designed to maintain a maximum student-to-teacher ratio of 1:25, with the lowest functioning students being placed in classes where the goal ratio is 1:15.
- Vocational programs generally will be limited to a student to teacher ratio of 1:15, with classes such as computer applications maintaining a cap of 1:20.
- CCA will strive to enroll simultaneously 50% of each facility's general population inmates in a meaningful academic, vocational, or living skills program.

- CCA will also strive to enroll simultaneously 25% of the facility's general population inmates in academic programs; 15% in vocational programs; and 10% in living skills programs.

WORKFORCE DEVELOPMENT

CCA's experience managing correctional facilities across the United States has shown the importance of utilizing community resources for the benefit of the inmate population. Making the inmate aware of local resources of which they may take advantage is beneficial to them as well as to the community.

In addition to providing crucial job placement services, DWS serves the community by providing low cost child care options under the Office of Child Care, among other initiatives. CCA recognizes the potential impact of putting the Commonwealth's inmate population in touch with the immense resources available through Virginia's DMS.

EDUCATION

Inmate education is an essential component of any modern correctional institution, but the solution to the challenge of correctional education in any given institution must be customized to the needs of that institution and its population. Inmate education must be an integrated process that stretches beyond mere scholastic pursuits to equip the inmate for responsible participation in free society. CCA will offer a full scope of educational programming, addressing not only traditional academic concerns, but emotional, psychological and physiological concerns as well.

Education Program Objectives

Generally, education programs in correctional settings must address the individual needs of students by introducing new skills, reinforcing existing skills and preparing students to seek job opportunities through life skills and vocational training. CCA's full-time education programs will accomplish this goal and increase students' functional academic levels by fulfilling the following functions:

- Helping students achieve a level of basic technical skill that will result in increased employment competence and marketability;
- Offering education courses that encourage learning about self, developing sound and critical thinking, strengthening effective communication ideas and cultivating abilities to distinguish among values in order to adapt to and function within one's environment effectively;
- Providing a supportive educational environment that sustains the school's desire for achievement by affording constant accessibility to academic, professional and personal career advising;
- Training students in the shortest time possible and directing them toward the positions for which they are best suited; and
- Providing students in both vocational and academic programs the opportunity to develop life skills that influence positively their employability, interpersonal skills, attitudes toward one another, and their overall behavior in society.

Literacy

CCA recognizes that adult learners' inability to read and write creates a problem in their everyday lives. CCA's literacy program will be designed to provide the adult student a safe, non-threatening environment where the student's identified literacy needs are met.

Adult Basic Education 1 (Foundation Literacy: Grade Levels 0-3.9) courses will meet the educational needs of students at the lowest functioning academic level. Students in these classes develop the academic skills that are essential for free world survival. Besides fundamental pre-GED skill building, students learn functional techniques such as writing and proper enunciation, completing job applications, participating in social and political processes and organization.

Adult Basic Education 2 (Literacy: Grade Levels 4.0-5.9) courses will meet the educational needs of low-intermediate-level students who face considerable challenges in mathematics and reading development. In addition to important pre-GED activities, students in these classes further strengthen essential survival skills such as those described above.

Adult Basic Education and GED

CCA's Adult Basic Education (ABE) and GED courses are designed to facilitate the student's acquisition of a GED diploma. In addition to GED preparation, students will learn workplace skills necessary for successful re-entry into society.

Adult Basic Education 3 (Pre GED: Grade Levels 6.0-7.4) courses will prepare students for pursuit of the equivalency diploma. Students at this level lack fundamental secondary-level skills, hindering them in their pursuit of the GED. Courses also teach essential communication skills, workplace mathematics and related topics designed to enhance student skills.

Adult Basic Education 4 (GED: Grade Levels 7.5 and above) courses will prepare students to take the GED and earn equivalency diplomas. Students at this level focus solely on GED preparation and prevocational or postsecondary preparatory topics. Students will learn skills used in applying to colleges and vocational technical schools as well as essential job seeking and career selection techniques.

Computer Assisted Instruction (CAI: Grade Level 4.0+) will allow students to be assigned to self-paced, computer based academic instruction. This instruction requires the supervision of a certified academic teacher who is computer literate to oversee and maintain a computer-directed class. Students will be pre-tested; the pretests will be used to design programs to target specific competency areas; students work independently in those programs; and finally, they are retested to verify progress. This computer-delivered program enables self-paced students to rapidly acquire middle and upper grade academic competencies, facilitating dynamic progress toward GED acquisition.

SPECIAL EDUCATION

CCA will ensure that the special needs of inmates qualified for special educational services are met by the employment of full-time, appropriately licensed special education (SPED) staff at the proposed institutions. CCA will provide programming in compliance with applicable laws and regulations. Procedural safeguards such as those listed here will ensure that the rights of students identified as eligible for SPED services are protected:

- Students referred for SPED services will undergo a referral, identification and planning process that are compliant with all due process requirements;
- No student will be identified as requiring SPED services based on a single qualifier; corroborative objective and subjective data provided by appropriately trained and licensed personnel will be required;

- Surrogate parents, multidisciplinary teams, medical staff and program personnel will participate in appropriate stages of the referral, identification and planning process; and
- SPED services will be provided to each student in compliance with the specifications of an appropriately developed individualized education plan.

ENGLISH FOR SPEAKERS OF A SECOND LANGUAGE (ESOL)

English for Speakers of Other Languages (ESOL) classes are designed to provide instruction for students who, because of language difficulties, are unable to participate fully in regular academic classes. ESOL education will focus on teaching English to assist students in their pursuit of the English-language GED.

TUTORIAL PROGRAMS AND LITERACY HOUSING UNIT

CCA was the first ever for-profit company and one of only a handful of corrections systems to receive endorsement as a literacy tutorial program by Pro-Literacy Worldwide, the nation's foremost adult literacy agency. Under that endorsement, CCA is authorized to train and certify inmate tutors as well as staff tutor trainers who deliver learner centered tutoring using the Pro-Literacy method. Building on this honor, CCA has developed and tested an academic programs model that uses a corps of the most talented inmate tutors, working under the supervision of a staff LHU coordinator to provide one on one literacy and GED tutoring in a housing unit setting. By organizing this program in a housing unit, inmate students will be immersed in an educational program from morning until evening. Using techniques pioneered by intensive treatment models, such as CCA's own addictions treatment units (ATU), inmate students enjoy the privilege of around the clock learning and around the clock access to tutorial assistance. If desired by the CommonwealthDOC, CCA will explore the addition of this highly effective adult education option.

POSTSECONDARY PROGRAMS/COLLEGE CREDIT BY EXAMINATION

CCA will provide inmates who have already obtained a GED or high school diploma the opportunity to earn college credit. CCA is authorized to offer the DANTES Subject Standardized Test (DSST). DSSTs provide an opportunity for students to obtain college credit for what they have learned in non-traditional ways. The DSST Program is used by adult education programs, the United Commonwealths Department of Defense and two- and four-year colleges throughout Virginia and elsewhere. Subject areas include:

| Mathematics | Social Science | Business | Physical Science | Humanities |
|---------------------------------|---|------------------------------------|---|---------------------------------|
| Fundamentals of College Algebra | Art of the Western World | Principles of Finance | Astronomy | Ethics in America |
| Principles of Statistics | Western Europe Since 1945 | Principles of Financial Accounting | Here's to Your Health | Introduction to World Religions |
| | An Introduction to the Modern Middle East | Human Resource Management | Environment and Humanity: The Race to Save the Planet | Principles of Public Speaking |
| | Human/Cultural Geography | Organizational Behavior | Principles of Physical Science I | |
| | Rise and Fall of the Soviet Union | Principles of Supervision | Physical Geology | |
| | A History of the Vietnam War | Business Law II | Applied Technology | |

| | | | | |
|--|-----------------------------------|--------------------------------|-------------------|--|
| | The Civil War and Reconstruction | Introduction to Computing | Technical Writing | |
| | Foundations of Education | Introduction to Business | | |
| | Lifespan Developmental Psychology | Money and Banking | | |
| | General Anthropology | Personal Finance | | |
| | Drug and Alcohol Abuse | Management Information Systems | | |
| | Introduction To Law Enforcement | Business Mathematics | | |
| | Criminal Justice | | | |
| | Fundamentals of Counseling | | | |

The following colleges and universities in Virginia are reported as accepting DSST scores for college credit:

| VIRGINIA SCHOOLS ACCEPTING DSST SCORES | |
|---|--------------------------------------|
| Argosy University | Averett University |
| Bluefield College | Blue Ridge Community College |
| Eastern Mennonite University | Embry Riddle Aeronautical University |
| George Mason University | Hampton University |
| J. Sargeant Reynolds Comm. College | Liberty University |
| Lord Fairfax Community College | Mary Washington College |
| Marymount University | National Business College |
| National-Louis University | New River Community College |
| Northern Virginia Community College | Old Dominion University |
| Potomac College | Radford University |
| Richard Bland College | Saint Leo University |
| Shenandoah University | Southwest Virginia Comm. College |
| Strayer University | Thomas Nelson Comm. College |

| | |
|------------------------------|--------------------------------------|
| Tidewater Comm. College | Tidewater Tech |
| Troy Commonwealth University | Virginia Highlands Community College |

Distance Learning

CCA extends the reach of our programs to the greatest number of people through the use of technology and innovation. CCA has implemented satellite-delivered distance learning provided by the Corrections Learning Network (CLN) of Spokane, Washington, at most of its facilities.

CLN is a distance learning initiative, administered by Educational Service District 101, operator of the STEP Star Network and funded through the U.S. Department of Education, providing interactive instructional programming for the nation's correctional facilities. Since 1986, ESD 101 has been producing live, interactive, satellite broadcast classes for K-12. In January, 1997, ESD 101 began dissemination of adult and alternative education courses and in 1999 was awarded a grant from the U.S. Department of Education to develop and distribute instruction to correctional facilities (Information provided by Corrections Learning Network, 2004).

Distance learning allows inmates to participate in additional programming such as employment, job success, stress management, anger management, business basics (in Spanish and English) and extensive GED test preparation including language arts, mathematics, science and social studies. Inmates are provided an opportunity to enroll in classes and earn certificates of completion in select programs.

VOCATIONAL PROGRAMS

CCA believes vocational education is a key component in assisting inmates in their transition to normal, productive and crime-free lives upon release. CCA will provide vocational programming that offers the opportunity to receive training that will enable inmates to obtain higher wages with career advancement opportunities. The list of programs that follows is provided as an illustration of the types of programming that could be provided at the proposed institutions. Actual selections will be made in cooperation with the CommonwealthDOC and will be based on numerous factors including the needs of the population, the needs of Commonwealth and regional employers, and the availability of necessary resources.

Computer Applications is designed to train students in the use of computers and computer applications for business and office purposes. Skills such as these are in use in service, retail and wholesale industries, in areas like inventory control, billing and estimation. Workers who enter the workforce able to use the computer in a broad variety of applications can expect higher than average wages. Skills such as these are also in use in service, retail and wholesale industries, in areas like inventory control, billing, and estimation. Students will even learn key concepts in entrepreneurship and business management.

If DOC and CCA decide to provide this program, CCA will also explore the addition of the following advanced topic modules:

Computer Repair and Maintenance job training teaches repair and maintenance of computer hardware. The program accepts discarded and defunct computers and cleans and repairs them. Skills taught in this course could lead to employment in computer repair and maintenance as well as independent service business ownership. Students are encouraged to prepare for the CompTIA A-Plus examination to validate the skills this course offers.

Computers and Accounting Fundamentals is an introductory course providing students with real-life exposure to use of fundamental accounting principles as well as microcomputer applications programs. Payroll, receivables, payables, inventory as well as integrated software suites are utilized. Students are encouraged to develop a working knowledge of office software packages as well as generalized mathematical and financial products so that they can easily adapt to the highly varied environments in which computerized financial recordkeeping is practiced. Students also learn fundamentals of word processing, spreadsheets and keyboarding.

Microsoft Office Specialist (MOS) program is the only comprehensive, performance-based certification program approved by Microsoft to validate desktop computer skills using the Microsoft Office programs. MOS certification is the globally recognized standard for validating expertise with the Microsoft Office suite of business productivity programs. MOS-certified individuals report increased competence and productivity with Microsoft Office programs as well as increased credibility with their employers, co-workers and clients. Inmates who successfully complete the MOS examination will receive certification directly from Microsoft's agent Certipoint in the area of the successful examination. Certification includes Word Core and Expert, Excel Core and Expert, PowerPoint Core, and Access Core.

Internet Computing Core Certification. In addition to MOS, students will also have the opportunity to earn the IC³ certification. IC³ offers certification candidates the opportunity to learn and demonstrate computer and Internet literacy through a worldwide industry standard that accurately validates skills and productivity in the workplace. IC³ certification verifies that students possess the accepted standard level of basic computer and Internet literacy and are more efficient and marketable. Many U.S. schools and colleges are adopting the IC³ framework as the benchmark measure for fundamental workplace computer literacy. Students enrolled in this class will not have access to the Internet in this course.

THE ACCREDITED CRAFT TRAINING APPROACH

CCA has adopted the Construction Craft Training approach to vocational education in the construction and building trades and is in the process of implementing Construction Craft Training programs at most of its facilities. Construction Craft Training was developed by the National Center for Construction Education and Research (NCCER), a not-for-profit educational foundation committed to the development of a skilled and educated construction workforce. The training program meets or exceeds Apprenticeship, Training, Employer and Labor Services (ATELS) requirements.

NCCER curricula emerged from the efforts of many highly successful industry contractors, partnering trade associations and industry agencies that worked in concert to develop training programs that were custom-designed for the needs of today's industry. Construction Craft Training instructors are trained by NCCER certified master trainers. NCCER even oversees a nationally recognized accreditation process for training programs. As an accredited Sponsor, CCA will be able to bring construction craft training to inmates nationally. The end result of affiliation with NCCER is a nationally recognized and industry-correlated training program that will serve both the inmates and the construction industry well.

Core Curricula - As an introduction to the construction trades, STC develops students with little or no knowledge of the subject by first introducing them to fundamental aspects of the jobs involved. This introduction, the Core Curricula, develops skills in several areas: Basic Safety, Basic Construction Math, Introduction to Use of and Care for Hand Tools, Introduction to Use of and Care for Power Tools, Introduction to Blueprints and Basic Rigging. Arming students with these basic skills prepares them for learning a new trade.

Carpentry - This program trains students for work in carpentry and most carpentry related tasks essential to construction, repair and regular physical plant maintenance. Skills taught in all essential carpentry areas include: Orientation to the Carpentry Trade; Using Nails, Fasteners and Adhesives; Using Wood Building Materials; Understanding Flooring Systems; Understanding Wall Systems; Preparing Construction Sites; Using Concrete and Reinforcement Materials; Placing and Handling Concrete; and Forming Foundations and Flatwork.

Facility Repair and Maintenance - This program teaches interior renovation and repair skills including the following: Using Drywall and Painting Tools; Using and Storing Drywall and Painting Materials; Materials Handling; Understanding Drywall Systems; Reading Blueprints; Using Framing Materials and Fasteners; Framing Non load Bearing Walls; Framing Ceilings; Hanging Wallboards on Wood and Metal; Using Sound Insulation; Installing Trim; Using Ladders and Scaffolds; Preparing Surfaces for Painting; Using Sealants and Fillers; Applying Coatings, Paintings, and Fillings; and Using Brushes and Rollers.

Electrical Wiring - This class teaches the essential skills of electrical trades. Course topics include electrical safety; hand bending; anchors and supports; Electrical Theory I and II; electrical test equipment; the National Electrical Code; raceways, boxes and fittings; conductors; electrical blueprints; commercial and industrial wiring; and residential wiring.

Masonry - The masonry course introduces students to brick, concrete and mortar use. Topics addressed include basic safety and math; history of the trade; using hand tools; using power tools; using masonry equipment; wall types; mortar types, materials, mixes and additives; CMU materials; CMU basic laying techniques; controlling moisture; CMU reinforcement; wall support; brick materials and laying techniques; reinforcing brick; brick wall supports; and brick wall types.

Painting trains students in painting for residential and commercial applications. Topics include careers in painting; safety; ladders; scaffolds and lifts; surface and substrate materials and conditions; protection of adjacent surfaces; surface preparation; sealants and repair/fillers; chemical cleaning and stripping; drywall finishing and patching; and wood finishing.

Plumbing acquaints students with plumbing fundamentals such as blueprint reading, tool usage, and safety codes. Students perform hands on exercises using sinks, faucets, piping, garbage disposals, and other plumbing items.

COGNITIVE SKILLS PROGRAMS

As a response to research findings stressing the importance of cognitive learning in the reduction of recidivism, CCA has increased the level of cognitive skills programming in the services provided in our programs. CCA's commitment to improving inmates' thinking and social skills is evident in the programs described below. CCA recognizes that failing to address such areas as social interactions and communications, moral and spiritual values, problem solving, and conflict resolution will increase the likelihood of an inmate's recidivating. In addition to the programs discussed below, CCA will incorporate cognitive skill training in all applicable programmatic offerings.

Cognitive Critical Thinking Skills

Cognitive Critical Thinking Skills classes focus on basic behavior and attitudes, following a tested model of delinquency prevention, crime prevention, and inmate rehabilitation. The program will train inmates in the skills of logical problem-solving, decision-making, and using a value hierarchy. Unlike some programs that take a generic approach to these issues, this program focuses on the inmate and his personal concerns.

Anger Management

CCA will offer an anger management program to all inmates who have been identified as having violent histories. The program will be oriented to the demonstrations and manifestations of anger, how anger is expressed by men, and strengthening alternative behaviors deemed as pro-social methods of handling negative emotions. CCA recognizes that anger management programming must include material specific to men, their problems, and their methods of dissipating and managing negative feelings.

The anger management program will teach inmates self-monitoring and self-control skills that allow them to stop violence and the threat of violence and recognize cues and events that trigger anger. This cognitive-behavioral program is flexible to allow real-life situations to be the center of role-plays and discussion and provides for practice of alternative behaviors. Although anger is the focus, other strong negative emotions are addressed (e.g. guilt anxiety, depression, humiliation and jealousy) to improve interpersonal relationships through the avoidance of physical altercations or other potentially self-destructive acts. Similarly, the reduction of inappropriate behaviors fueled by anger leads to emotional self-control, improved health, reduced personal distress, and the ability to pursue useful and desirable personal goals. Within the structure of the program, topics may include, but are not limited to:

- Learning to manage anger effectively;
- Recognizing events that trigger anger and cues;
- Stopping violence or the threat of violence before it happens;
- Learning and recognizing the cycle of anger;
- Developing self-control over thoughts and actions;
- Receiving support from others;
- Learning to be assertive and using conflict resolution; and
- Learning how anger impacts the family unit.

CCA's anger management program will not only help the inmate to identify appropriate ways to deal with anger and stop violence while incarcerated, but will help the inmate to be better prepared to handle difficult situations he will encounter after being released from the proposed facility.

Thinking For A Change (T4C)

CCA's program philosophy is based on the belief that recidivism is likely when an inmate is released without learning the tools essential for developing a pro-social lifestyle. Modifying thinking patterns and core beliefs is an essential element in this transition. CCA has identified "Thinking for a Change" from the NIC as a progressive program that addresses these areas in a manner that makes it easy for the inmate to relate to the lessons.

"Thinking for a Change" is a cognitive behavioral program based on research. It is designed to promote both cognitive restructuring (change in thinking patterns) and cognitive skills training (change in behavior patterns). It is based on the theory that criminal behavior is more susceptible to pro-social change when inmates are able to intermingle and use the tools from both cognitive restructuring and cognitive skills programs. "Thinking for a Change" uses, as its core, a problem-solving program enhanced by both cognitive restructuring and social skills interventions. The participant quickly learns and appreciates that using cognitive restructuring requires some

cognitive skills methods and using cognitive skills requires an objective, systematic approach to identifying thinking, beliefs, attitudes, and values. The self-contained 22 lessons can be expanded upon with a capacity to extend the program to any length and to include any desirable cognitive skills.

CCA'S SUBSTANCE ABUSE PROGRAMS

CCA recognizes that substance abuse programs will only be effective if they are designed to reach inmates at all levels of denial and acceptance. For this reason, CCA will plan a full scope of substance abuse programs including substance abuse education, substance abuse treatment, and voluntary self-help programs.

Strategies for Change

CCA has developed a substance abuse program named "Strategies for Change (S4C)." Taking place on a residential treatment unit, S4C is an evidence-based cognitive-behavioral program that addresses substance abuse and its relationship with criminal behavior with an approach and information appropriate to the male population.

Phase One will be both an orientation to the program and an introduction to recovery and the cognitive-behavioral intervention. A basic cognitive skills component will provide both introduction to the cognitive-behavioral model of change and is the generic structure upon which the program is built. Core curriculum will be introduced and work will be initiated to develop discrimination between the male inmate's values and his behaviors. Phase one is called "Challenge to Change."

Phase Two will be primarily composed of programmatic curriculum developed specifically for the incarcerated population. During this phase, participants will discover solutions to their problems and both learn and practice alternative behaviors. Phase Two is called "Commitment to Change." The program materials and gender specific topics will be introduced to empower these inmates to take responsibility for their own lives. Self-empowerment, self-esteem and self-responsibility will be emphasized throughout the program and solutions to problems are practiced daily to reinforce these concepts.

Phase Three will address critical thinking and making life style changes, empowering the inmate to take responsibility for his own life and behaviors. This phase is called "Ownership of Change." Although recidivism and relapse are addressed beginning in week one of the program, Phase Three culminates in the participant's development of extensive relapse prevention and continuing care plans. This planning takes into account not only the aspects of continuing recovery (both during continued incarceration and following release) but also the realities he will face when released. An integral part of the S4C program is the education component. All inmates participating in the S4C program who lack a high school diploma or GED will be required to attend classes. Increased literacy is also promoted on the unit through implementation of the Pro-Literacy Initiative, a system by which trained peer tutors assist others in advancing their literacy levels.

Support groups are also an important part of the S4C program. They will be used to supplement and reinforce the goals each participant sets for himself and to provide motivation and means to continue personal growth. CCA's philosophy is that the development of a personal spiritual base is essential

to long-term recovery. Therefore, as a modern-day practicality, both Twelve-Step and cognitive groups can be included.

Outcomes are measured both subjectively and objectively. Change can be noted by tracking the reduction in minor offenses in the residential treatment unit and staff observation of repeated behaviors. These behaviors include the quality of interactions with other inmates and staff, increasingly higher levels of honest self-disclosure in groups, successfully holding oneself responsible for behaviors, and a reduction in judgmental behaviors toward others.

Objective clinical testing will also be administered to identify changes in thinking patterns in criminogenic areas. The testing tool will be administered as both pre- and post-tests and demonstrates changes in four (4) criminogenic thinking patterns (self-centeredness, blaming others, catastrophizing, and minimizing/justifying) and four (4) criminogenic behaviors (overt or covert, lying, and stealing). Use of an automated scoring system and data base will make this an effective measurement of change, and when combined with evident behavioral changes, will give a well-rounded view of the participant as progress is made in the program.

Substance Abuse Education

Substance Abuse Education is designed to help inmates understand how controlled and illegal substances contributed to their social problems and subsequent incarceration and to emphasize the opportunity the inmate has to change his life. Students will be taught fundamentals of the pharmacology of psychoactive substances including alcohol, prescription drugs and street drugs. DUI, drug-related violence, pre-release and post-release aftercare will be other topics covered in this program component.

Substance Abuse Education is an evidence-based cognitive behavioral program that addresses substance abuse education and the relationships between substance abuse, criminal behavior, and the consequences. It also teaches participants to make better decisions based on facts instead of acting out impulsively.

Substance Abuse Self Help Groups

For inmates who are committed to long-term avoidance of substance abuse, CCA will plan to facilitate numerous weekly opportunities for participation in recovery programs. These recovery programs will include 12-Step model associations such as Alcoholics Anonymous (AA), Narcotics Anonymous (NA) and other meetings of that type. Likewise, secular alternatives such as Smart Recovery will be facilitated and encouraged to ensure that inmates who are unwilling to participate in programs arising from religious and spiritual traditions will still have meaningful outlets for maintenance of their recovery.

PRE-RELEASE PROGRAMS

CCA's experience has shown that it is crucial to provide services tailored for the unique needs of parent inmates in our care. The programs described below represent our desire to prepare all inmates who are housed in the facilities managed by CCA for successful re-entry into society.

Parenting and Family Dynamics

CCA is steadfast in its belief that parenting skills are essential for the inmate's personal growth as well as his family's growth, because CCA strives to reduce multi-generational incarceration. Parenting and Family Dynamics classes will teach inmates how to be effective parents during different stages of child development, how to help children succeed in school, and how to function in an "at-risk" family. An inmate who acquires proper parenting skills has hope of rejoining his family and being an effective parent.

CCA realizes there are many incarcerated men with children or whose partners are expecting a child. Many of the men leaving incarceration will be faced with having to provide for a family or with having to regain custody of their children. Parent inmates re-entering society will not be successful without the proper tools.

Parenting topics may include, but are not limited to, the following:

- Understanding his role and responsibility as a parent;
- Learning how to provide a nurturing and protective environment;
- Learning positive parenting strategies;
- Learning effective communication in a parent/child relationship;
- Determining how his incarceration has impacted his child;
- Becoming familiar with child development and learning styles;
- Demonstrating positive parenting skills at different stages in the child's life;
- Demonstrating methods to developing positive self-esteem in the child;
- Locating family and community support systems;
- Determining the impact of multicultural and ethnic diversity and its impact on the child and the family; and
- Practicing role-modeling for success.

Through the introduction of information in both cognitive and educational formats, participants learn the impact their behavior has had on their families. Building a family unit and positive relationships within that unit are emphasized. The program will be non-residential and facilitated in an interactive group setting by a trained staff member. Group size will be limited in order to maintain the integrity and sensitivity of topics and allow for better interaction among participants.

Abuse Prevention Programs

CCA recognizes that many inmates may also have been, or will become, perpetrators of family abuse while acting in caretaker roles. For this reason, CCA will provide a comprehensive program designed to prevent child abuse and neglect. This program will focus on the key aspects of abuse prevention through parent education as identified by the US Department of Health and Human Services in its research report, "Emerging Practices in the Prevention of Child Abuse and Neglect."

- Developing and practicing positive discipline techniques
- Learning age-appropriate child development skills and milestones
- Promoting positive play and interaction between parents and children
- Locating and accessing community services and supports.

Health Education

Health education is another fundamental element in the transition from incarceration and functioning as a viable citizen. To promote this health education process, informational programs will be made

available based on the requirements and assessed educational needs of the inmates. Selected topics for these programs may include but are not limited to:

- Personal hygiene;
- Nutrition;
- Physical fitness;
- Stress management;
- Sexually transmitted diseases;
- Chemical dependency;
- Tuberculosis and other communicable diseases;
- Effects of smoking;
- HIV/AIDS;
- Hypertension/Cardiac;
- Epilepsy;
- Diabetes;
- Dermatology; and
- Rehabilitation.

INTEGRATION/STABILITY

To be effective, any programming at the proposed institution(s) must envision release as the culmination of all rehabilitative efforts. Research has taught us that there are numerous skills that inmates must acquire during their incarceration or face the nearly inevitable likelihood of return to imprisonment. These skills form a framework for personal responsibility, realistic and reasoned decision making, and access to essential community resources that will aid them as they begin the challenging process of re entry and reintegration. CCA plans to address these needs through the delivery of these and other program modules.

Employability

Employability/Occupational Training focuses on career exploration, job lead sources, proper attire, hygiene, punctuality, attendance, time management, and following instructions. Course instructors will assess each inmate's work history, skills, interests, and aptitudes to help him set reasonable employment goals. The job skills component will carefully address issues of concern to inmates such as how to answer interview questions about criminal history and incarceration. Inmates will participate in mock employment search situations such as telephone calling prospective employers and interviewing for a job. Essential workplace math and language skills are likewise a key component of this program.

Money Management

Many inmates arrive in prison without ever having learned the basic skills of money management and personal financial planning. CCA has had considerable success teaching these skills using texts developed by the National Endowment for Financial Education (NEFE). Skills addressed include: buying smarter, plugging spending leaks, creating a budget, and rebounding from a bad credit record (information provided by the National Endowment for Financial Education, © 2004).

Two texts that CCA plans to use are listed below.

- “Your Spending, Your Savings, Your Future: A Beginner's Guide to Financial Readiness,” and
- “Reuniting Your Money, Your Family, and You.”
The NEFE approach “is based on the idea that positive financial change can happen at any time.” Topics addressed include:
 - Your Spending, which helps readers analyze their current financial situation;
 - Your Savings, which encourages users to start saving, investing, and planning for retirement; and
 - Your Future, which assists individuals in setting realistic financial goals.

Interpersonal Skills

Interpersonal Skills classes train inmates in fundamental traits of high integrity such as decency and respect, and demonstrating how failing to learn and use interpersonal skills has reduced their chances of obtaining employment and attaining their goals. Communication skills will be taught and practiced using a variety of real-life situations. Additional topics include independent living skills, anger control, victimization, and appropriate responses to sensitive situations such as parole hearings, criticism, and peer and supervisory conflict.

FAITH BASED PROGRAMS

CCA is committed to its plan to launch faith-based programs in each of its correctional facilities. The initiative aims to improve inmate and staff safety, lower prison costs and re-incarceration rates (recidivism) and return a better individual to society. Faith-based programming strongly supports these goals.

Chaplaincy Services

In keeping with CCA’s goal to better serve inmates under its care, CCA recognizes the benefit of religious services in providing spiritual guidance, support, and counseling to the inmate population and simultaneously contributing to the safety, security and welfare of the facility. The CCA Chaplain will focus on the mutual goals of providing inmates with an opportunity for change, raising the standard of inmate behavior, and realizing a measurable result to include a decrease in disciplinary cases, violence and recidivism rates.

The Chaplain will have training and on-going support for establishing comprehensive religious and spiritual programs and will establish an inmate congregation to include all faiths and denominations within the guidelines established by law and the facility.

The mission of the chaplaincy department at the facility will be to reach inmates with moral and ethical strength derived from the building of their faith, producing a rehabilitated character compatible with society.

Religious worship, programs, and study, will be coordinated, scheduled, and supervised by a qualified, experienced full-time Chaplain from a recognized ecclesiastical body. The Chaplain will be responsible for preaching, counseling, teaching and administering curricula designed for individuals to enhance their personal spiritual growth. The inmates' participation will be voluntary. Interested inmates will be interviewed by the Chaplain to determine religious background, preference, training, interests and attitudes.

The Chaplain will also conduct pastoral care orientation sessions for the inmate population. The Chaplain may be called upon to facilitate and coordinate faith-based initiatives that are provided by a recognized mainstream ministry for the inmate population.

Additionally, the Chaplain will actively recruit and train laypersons/volunteers from the community who contribute their time inside the prison to assist with the provision and implementation of religious and spiritual programs. Pastoral qualifications of employees or volunteers in this program will meet the minimum qualifications established by GDC pertaining to volunteers, and religious and chaplaincy services.

The weekly religious and chaplaincy services provided by the Chaplain and religious volunteers will be provided twenty-four (24) hours per day, seven (7) days per week. The weekly religious services will be available to all inmates assigned to the facility. All scheduled religious activities will be posted.

Chaplaincy programs will include, but are not limited to:

- Provision of care and counseling to inmates related to personal issues (mental, emotional, physical and spiritual);
- Provision of care and counseling to inmates related to family issues such as parenting skills, marital counseling, behavior modification and community relations;
- Regularly-scheduled religious services for identified faith groups represented in the inmate population;
- Regularly-scheduled religious studies including active recruitment of volunteers to support and facilitate such studies;
- Volunteer programs on spiritual needs and issues as identified by the unit Chaplain via interviews, questionnaires, inmate requests and community interest;
- Spiritual counseling in both group and individual settings; and
- Pastoral visits by community religious leaders, as requested by the inmate, to address spiritual needs.

The chaplaincy program is essential to improving the quality of life for the inmate. This program is vital to enabling the inmate to change and re-enter society as a productive, responsible citizen. The following text provides an outline or table of contents that identifies the topics or subject areas covered in CCA's forty-hour training program for its Chaplains:

| The Context for Chaplaincy Within the CCA Structure | Chaplaincy Skills | Functioning Within the CCA Facility | Functioning Outside the CCA Facility |
|---|---|--------------------------------------|--------------------------------------|
| An Introduction to CCA | Principles of Effective Communication | Relating to the Correctional Staff | Relating to the Outside Community |
| An Introduction to Chaplaincy with CCA | Principles for Effective Counseling | Relating to Inmates | Inmate Aftercare |
| The Chaplain as a Person | Principles of Effective Bible Study | Responding to Emergency Messages | |
| The Criminal Justice System | Principles for Relating to Inmates of Different Faith | Suicide Perception and Prevention | |
| Correctional Ministry Opportunities | Groups | Hostage Situations | |
| Planning for Effective Ministry | | Disease Prevention | |
| | | Relating to Institutional Volunteers | |

The facility Chaplain will be afforded the opportunity to attend the forty-hour Chaplain training program provided by the Good News Jail & Prison Ministries (GNJ&PM) conducted in partnership with CCA.

Life Principles Community Program

CCA has developed a partnership with the Institute in Basic Life Principles (IBLP) to provide needed religious and spiritual programs, and to develop and implement an IBLP Community Program for the proposed facilities.

The IBLP is a mainstream ministry founded in 1961 by William Gothard. It is a non-profit organization that conducts seminars serving government leaders, strengthens families, supports churches and business, and provides prison ministry programs. Headquartered in Oak Brook, Illinois, IBLP's outreach includes not only the United Commonwealths, but has expanded by formal invitation to a growing number of other countries worldwide, including New Zealand, Russia, Romania, Mongolia, Honduras, Australia, Taiwan, and Mexico.

The CCA residential faith-based program, “Life Principles Community Program,” will operate in compliance with federal law and the facility policy and procedures regarding religious and spiritual services.

The CCA IBLP Community Program will be located on a designated living unit and be four to six months in duration. The program is voluntary and open to all inmates in the facility, however, once admitted to the program the inmate is required to participate in the program in a responsible manner.

This CCA IBLP Community Program will operate twenty-four (24) hours per day, seven (7) days per week. It is a multi-faith program designed to familiarize inmates with principles promoting personal responsibility, integrity, and accountability in all areas of life. The community will serve as a socialization process where individuals learn to replace self-centered interests, often resulting in violating the rights of others, with legitimate activities. Special attention is given to teaching the development of steps that enable the inmate to practically apply the principles they learn.

CCA will utilize volunteers and other staff in the program for inmates nearing release from incarceration. The program endeavors to reduce the rate of recidivism among inmates by instilling the importance of good character. Furthermore, the program seeks to equip inmates with the skills necessary to resolve the conflicts of life in a positive manner, grow from past failures, and live as productive members of society. Specifically, inmates who participate in the program learn how to break unhealthy habits, conquer anger, guilt and bitterness, restore vital relationships with family and others, and conquer fear.

The programs provided by staff and volunteers are standardized. Curriculum has been developed with specific learning goals and outcomes. Inmate workbooks and videos are provided as part of the program. Inmates will experience instruction, individual and group counseling, and mentoring in the following program areas:

- Principles of Design, Authority, Responsibility, Suffering, Ownership, Freedom and Success;
- Family, Parenting and Financial Freedom;
- Anger Resolution;
- Commands of Christ;
- Character Qualities; and
- Wisdom Search.

Champions For Life

A unique partnership between CCA and Champions for Life (CFL) has also been established. It is CCA’s intention to have CFL, founded by Bill Glass, to provide a “Weekend of Champions” for the facility. Whenever possible, CFL will also provide eight (8) follow-up weekly evening meetings that will provide the inmates with an opportunity for processing and strengthening new beliefs and concepts.

During each CFL event, the goal is to personalize the message of Christ to as many people as possible. During each crusade, a group of high-profile guests (e.g. Tom Landry, Michael Jordan, Lee Greenwood, and Rosie Greer) share with the inmates about their own salvation and how their lives have changed after becoming a Christian. Platform guests and attractions, including superstar athletes and entertainers, NASCAR, motorcycles, parachutists, acrobatic jet, among others, create an

exciting atmosphere that draws the inmates. After grabbing their attention with superstar talent, the platform guests share their stories of success and how Christ made a difference in their lives.

During the remaining time of this event, scores of teammates share the Gospel of Christ with inmates and staff and engage in individual, small, and large group discussions regarding the message of Christ. The CFL day-long event is an eight (8) hour program. The weekend event is twenty (20) hours in length, beginning on Friday afternoon and ending at 10:30 p.m. on Sunday. The CFL events are voluntary and open to all eligible inmates assigned to the facility.

CCA will utilize CFL and other mainstream ministries discussed in this proposal in order to provide inmates an opportunity to personalize the faith-based message. CCA believes these programs will raise the standard of behavior in the facility and improve the inmate quality of life by decreasing the number of disciplinary cases and violence. All inmates, regardless of their religion and belief system, will be allowed to voluntarily participate in the faith-based programs.

Child Evangelism Fellowship

Studies show that children with a parent in prison are far more likely to end up in prison themselves than other children are. Child Evangelism Fellowship (CEF) is an interdenominational worldwide Christian organization intent on sharing the “Good News” with young children. CEF materials are geared to reach high-risk children, including those with a parent in prison. CEF has teamed with CCA to send Bible studies to children of inmates through CEF’s Mailbox Club program.

In addition to children, the CEF Mailbox Club ministers to thousands of inmates. CCA has joined a growing prison community that participates in the Mailbox Club program because it provides an opportunity for uniting parents with their children.

Volunteers

CCA recognizes the importance and value volunteers play in enhancing and supporting the social, spiritual, and vocational/educational programs. The programs are designed to enable the inmate to transition into the community as a responsible, productive and non-recidivating citizen.

CCA will provide a comprehensive volunteer program to assist staff in providing inmate services to include, but not be limited to, identification of volunteer roles, job descriptions, recruitment plans, and supervision plans.

According to the U.S. Department of Justice, Office of Justice Programs, May 2000 issue of Sentencing & Corrections article, “But They All Come Back: Rethinking Prisoner Reentry,” even though the incidents of crime declined this past decade, use of incarceration rose at an unprecedented rate, in part due to the high recidivism rate. Resources that might be used for education, health care and other public support services are being diverted to fund more than two million people in prison and jails in the United Commonwealths.

Recognizing the cost of crime and recidivism is staggering. CCA, in partnership with government, strives to manage cost effective facilities that reduce recidivism. In order to accomplish this goal, CCA values the role volunteers play in enhancing the needed correctional programs in its correctional facilities. It recognizes that volunteers are capable of supporting and providing a comprehensive array of effective recidivism correctional services, including community sanctioned/re-entry programs, education, and treatment, recreational and religious programs.

The facility Chaplain will actively recruit, select, train, and utilize adult volunteers to support the facilities education, treatment, recreation, and religious services. As a result of the GNJ&PM chaplaincy training program, the Chaplain will be prepared to conduct comprehensive volunteer training consisting of the following elements:

Volunteer Training

The Importance of Volunteers

- Effective volunteers will enhance the program.
- Effective volunteers will broaden the program.

How to Obtain Qualified Volunteers

- Know the types of volunteers you are looking for.
- Train the ones you already have.
- Recruit the ones you don't have.

How to Screen Volunteers

- Screen volunteers according to the DOC policy.
- Provide the volunteers with an orientation and tour of the facility.
- Observe how they respond to situations, places and people.
- Talk to them after the tour.
- Express your intent, how you intend to utilize them in a way that is good for them and you.

Factors to Consider in Planning Volunteer Training

- Consult with facility administration and trainers about your desire to train volunteers.
- Provide opportunity for both observation and instruction.

How to Train Volunteers Effectively

- Teach them what you have learned about working and relating to inmates.
- Make them aware of both what they should and what they should not do.
- Cover all policies, procedures, rules and regulations pertaining to volunteers.
- Areas of Special Caution in Preparing Volunteers
- Remind volunteers to relate to staff tactfully.
- Familiarize your volunteers with the unexpected.
- Address some helpful tips that will prevent future problems.
- How to Supervise Volunteers
- As much as possible, let them "ease" into volunteerism.
- Provide them with reinforcement and feedback.
- Monitor their progress.
- Have a workable report system.
- Cross train and don't depend on just one volunteer to handle an area of responsibility.
- Show appreciation for volunteers and offer them recognition.

The proposed facilities will actively recruit volunteers from organizations and churches in their locality. Interviewing, screening and background checks are an integral part of developing a core of volunteers to support and enhance program offerings at the facility. Although the Chaplain serves as the volunteer coordinator, all facility staff are engaged in the process of recruitment, training and supporting this important group of volunteers.

LIBRARY

It is CCA's policy to provide access to comprehensive library services which include, but are not limited to, a reference collection which includes general and specialized materials and planned and continuous acquisition of materials to meet the needs of the institutional staff and inmates. Methods of operation will be instituted as may be deemed necessary to ensure delivery of library services and legal access in a professional, timely and orderly manner.

Library materials will be selected to meet the educational, informational and recreational needs of the inmates and staff. Library materials will be easily accessible and regulated by a system that discourages abuse. Input from the inmates and staff will be actively solicited to determine the needs of the facility population, programs and activities. This information shall provide the basis for acquisition of materials.

The library will operate in compliance with ACA Standards and will provide access during hours which facilitate access by all inmates.

Library Orientation sessions train inmates in proper and effective library use. Survey statistics demonstrate that few Americans understand library organization and cataloguing. In library automation sessions, students learn not only the rudimentary issues of using the card catalogue and locating reference information, but they master methods of proper care for books, periodicals, and audio and video equipment.

Mobile Library Services serve those inmates who, for security or custody reasons, are not permitted to travel to the general purpose library. Program staff assesses the needs of the facility population and provide delivery-based library services.

RECREATION

Recreation plays a significant role in the rehabilitation of inmates by providing a wide range of structured activities. The positive self-esteem that comes from the self-discipline required to obtain improved physical condition is a vital part of the inmate's preparation for a successful return to society. This is especially true when combined with other programs such as education, vocational skills, and drug treatment.

Wellness

CCA will provide both indoor and outdoor leisure time recreation activities on a daily basis in accordance with the design of the facility. During inclement weather, a like period of time indoors shall be allotted. Opportunities for daily exercise and constructive leisure time will be provided to inmates in the facility. A well-integrated program of active/passive and indoor/outdoor activities will be afforded to all inmates.

The recreation plan includes provisions for the following:

- Written policies and procedures requiring a recreational program that includes leisure-time activities;
- Facility and community athletic and cultural activities;

- Availability of facilities and equipment, in proportion to the inmate population, maintained in good condition and suitable for the planned activities; and
- Scheduling of recreation activities in areas (indoor, outdoors and) to assure equal access and use by inmates for out-of-cell activities.

Scheduling of recreation operational hours is so as to ensure that equal access and use by inmates is adequate and staggered throughout the day. Recreational opportunities will be available seven (7) days a week.

Recreational Resources

CCA's recreational programs are enhanced by the access to and development of indoor and outdoor recreational facilities. Recreational and leisure time programs involve a variety of indoor and outdoor activities, and will include participation in community sports and events for eligible inmates.

Outdoor Activities

Regular tournaments may be held to encourage participation in recreation activities and complement traditional recreational offerings. Team sports are prominently featured in CCA's recreational program to simultaneously improve development of physical and social skills. Providing team and cooperative sports such as basketball, volleyball, sand volleyball, handball, tennis, softball, track and field and kickball foster competition and cooperation as inmates learn to achieve success through teamwork.

Indoor Activities

Additional space used for recreation and leisure-time activities includes day rooms with television and table games for art and other group activities. Indoor activities can be held in the dayroom areas, and education classrooms. Indoor tournaments are also held to encourage participation. Community volunteer support will be recruited and utilized. Some of the indoor recreation programs may include: board games (e. g., chess, checkers, scrabble, card games, monopoly, and yahtzee), general library, television, hobby crafts, movies, aerobics, basketball, and volleyball.

Special Needs

Specialized recreational programs are developed and implemented for handicapped and special needs inmates in conjunction with recommendations from medical and program staff. In accordance with federal equal opportunity and disability guidelines (Civil Rights Act of 1964, Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973), CCA will, to the greatest extent possible, mainstream mentally and physically handicapped inmates into the regular recreational programs. However, for those inmates who require modified and more closely monitored activities, recreational and educational staff provides for year-round activities similar to the regular recreational program.

WORK

CCA has developed an inmate work program that realistically reflects the work experience in the community. The work program is designed to contribute to the development of new job skills and improve existing ones.

Work assignments will supplement education and treatment assignments to provide extensive opportunities for activity for inmates. The work program will provide valuable training opportunities for inmates to improve their work ethic and to prepare them for release into the community.

Just as in the community, facility jobs will vary according to skill level and degree of difficulty. Certain jobs will be considered entry-level positions that require no specific training or work experience to perform. Work opportunities for entry level positions include utility squads, kitchen assistants, laundry and errands and deliveries.

For inmates who come to a CCA facility with a specific skill or who successfully complete one of the facility's vocational programs, employment may be offered in the following areas:

- Maintenance department, where inmates may work as skilled laborers in the following areas:
- Electricity,
- Commercial cleaning;
- Landscaping and gardening (horticulture), and
- Building and grounds maintenance;
- The barber shop;
- Food service, where inmates may serve as cooks, bakers or other specialized food preparation if eligible by virtue of training and/or work experience.

Job vacancies will be advertised throughout each facility. Inmates will be required to apply and interview for jobs. Once hired, their performance will be formally evaluated by their facility staff supervisor. Promotion, demotion, status quo or termination may occur as a result of these ratings. The inmate's employment status may also be affected by his behavior in the facility, just as it is in the community.

To further simulate a real-world work environment, CCA includes provisions for sick leave and personal leave in each facility jobs program. Inmates will be required to obtain authorization for leave from their supervisor when they need time off from work. Unauthorized leave will have the same consequences—loss of pay, negative evaluation, demotion or even termination—that it does outside prison.

Each facility jobs program will provide inmates the opportunity to function in a real--world work environment without the outside pressures and stresses that led them to criminal behavior. As inmates develop and improve their social, decision-making and problem-solving skills through therapeutic treatment and educational training, they will become productive workers inside the facility. This in turn will increase the likelihood that they will function effectively in their communities upon release.

An essential element of each facility work program is the staff supervisor's responsibility to provide adequate orientation, training and resources to the inmate workers. Facility staff will be trained in the supervision of inmates in the inmate work program. Each inmate will participate in an organized orientation that includes the following:

- Overview of department objectives;
- Importance of developing and maintaining positive work habits;
- Description of job responsibilities and expectations;

- Operation of equipment and supplies;
- Effective resolution of work-related problems; and
- Significance of developing appropriate working relationships with others

CONCLUSION

CCA knows that every inmate will face great difficulties in the future due to their past problems. Client-inmates have often suffered at the hands of abusers only to become abusers themselves. Others have developed addictive or compulsive behaviors, leading to their incarceration. And, in most cases, client-inmates enter the correctional system with job experience at the low end of the wage spectrum, without fundamental academic or living skills, and with little or no hope of successful independent living after release. CCA's comprehensive education programs, stretching from the baseline of illiteracy to the domain of postsecondary education programs answer the needs of inmates, equipping them with tools for post release social and workplace success. Likewise, treatment programs provided by CCA not only address the ordinary academic and vocational skill areas, but also the deeper, subtler emotional and psychological issues at the root causes of incarceration and recidivism. Inmates who participate in this facility's programs develop, for themselves, an understanding of their abilities, their worth, and their places in their free--world communities. The end goal of CCA programs is to reintegrate the inmate into free society as a socially responsible citizen.

ITEM FOUR

CCA'S QUALITY ASSURANCE PLAN

CONTRACT PERFORMANCE

CCA has a comprehensive self-monitoring procedure and quality control system that ensures that the proposed new DOC facilities would open in a safe, secure and efficient manner. CCA's Quality Assurance (QA) Plan will provide the DOC with the necessary level of assurance that all required programs and services are being provided in accordance with applicable DOC policies, procedures and manuals, CCA and facility policies and procedures, and the most current edition of American Correctional Association (ACA) Standards for Adult Correctional Institutions (ACI) and other required accreditations.

CCA's commitment to operational quality assurance and optimum contract performance continues to be demonstrated through our staffing priorities, including the employment of a full-time Quality Assurance Manager at each facility. This staff member, who reports directly to the Warden, will be responsible for managing ACA accreditation as well as implementing and monitoring the facility's QA Plan. The QA Manager will:

- Track all facility policy, procedure and contractual changes against the approved audit instruments, updating it as needed, as well as tracking all periodic quality assurance reports required by CCA's corporate office;
- Schedule internal audits;
- Serve as the local coordinator for all external audit activity;
- Track all audit deviations, plans of action and other remedial actions related to audit outcomes; and
- Make recommendations to the Warden for policy and procedure changes that will increase the effectiveness and efficiency of the audit program.

CCA is proud of its record of operation at its previously managed Virginia facility, where ACA accreditation was achieved at 100% compliance in both mandatory and non-mandatory standards. ACA accreditation will be obtained at each newly contracted facility within 18 months of activation unless otherwise specified contractually by the DOC. Facilities will maintain ACA accreditation throughout the length of the contract.

PROGRAM DESCRIPTION

The Quality Assurance (QA) Plan for the proposed facilities is intended to coincide with, but not solely rely on, independent audit and oversight activity conducted by the DOC, ACA, and other organizations including, but not limited to, the fire marshal, OSHA and the health inspector. The goal of this program will be to ensure facility operations are effective and consistent with specific national standards, policy and procedures, contract requirements and public policy. To accomplish this, CCA will use a multi-level approach to auditing and monitoring programs and operations at the proposed facilities, based on the following steps:

- Developing, using and modifying, as necessary, broad-scoped audit instruments;
- Performing regular internal and external audits;
- Preparing comprehensive audit reports and plans of corrective action; and

- Ensuring comprehensive CCA oversight and analysis of those audits.

COORDINATING WITH DOC

CCA's QA Plan will work in conjunction with DOC's monitoring of the contract to provide continuous quality assurance at the proposed facilities. CCA is gratified to be part of solid professional relationships with other contracting agencies and looks forward to establishing a good working relationship with the Commonwealth of Virginia.

As an integral part of the evaluation and monitoring process, facility staff will cooperate completely with DOC personnel, providing access to inmates and staff in all areas of the facility at all times. DOC personnel will have access during normal administrative working hours to all books, records, reports and self-monitoring documents kept by CCA concerning the operation of the facility. DOC personnel may attend meetings, hearings, review facility records, inmate files and designated budget documents as required.

CCA is committed to developing a cooperative relationship with its contracting agencies. Through this relationship, CCA strives to provide the best quality control programs in corrections.

CCA MOBILE AUDITING PROGRAM

CCA uses "cutting edge" auditing technology as an important enhancement to its quality assurance function. The program enables CCA auditors to conduct quality assurance audits and self-monitoring that incorporates requirements for policies, procedures and ACA Standards on handheld computers, entering audit results while inspecting.

The completed audit is then uploaded to a secure website on the Internet for review and analysis by facility and management on their personal computers. Audit information can also be entered directly onto the website and data analyzed, by using a personal computer with an Internet connection.

The on-line facility-specific information available through the program significantly decreases auditor inspection preparation and audit completion time. Real time reporting allows audit team members and CCA management to review inspection results immediately and then to analyze and track key discrepancies and plans of action.

Once a year, outside, non-contract facility personnel will audit the institution. External auditors will be selected from the ranks of experienced CCA personnel, company consultants and ACA auditors. The company will provide specific training in auditing techniques and the requirements of this contract.

The facility will be comprehensively audited by its own staff at least once a year. Additionally, CCA has developed a security audit instrument that will be completed monthly by the Warden and Chief of Security. CCA will also develop a facility specific audit instrument for the proposed Virginia facilities that embodies all essential operational and program requirements of the contract. The instruments will be amended as policies, procedures or contract requirements change.

The monitoring instrument and facility specific instruments will also be used on the mobile auditing system. Reports will be generated from the system and plans of action for correcting deficiencies will be required.

An accreditation file review will also be conducted during the corporate operational audit. The results of the file review will be included in the audit report.

AUDIT REPORTS

Audit reports will detail findings, both adverse and positive, and be specific, concise and limited to substantive content. The automated audit report will consist of an executive summary, audit summary and corrective action plan. All audit items rated non-compliant or partial-compliant will be listed. The executive summary will contain a descriptive narrative to include:

- Operational audit scores and ratings;
- Accreditation file review compliance tally;
- Audit intent;
- Audit narrative;
- Quality of life;
- Employee issues;
- General comments; and
- Distribution.

The facility will be responsible for developing a plan of action response to all audits where deficiencies were identified within 15 working days from receipt of the audit report. If the Warden is in disagreement with the cited deficiencies, the audit response may offer a rebuttal, additional documentation supporting a finding of compliance or a reason why a recommended action cannot or should not be taken. Resolution of disagreements will be discussed between the Warden, QA Director, Divisional Managing Director and the DOC's representative, where appropriate. Collateral responses to problems requiring remedial action may include:

- A review or revision of audit guidelines;
- Additional study of the issue in question;
- Follow-up or specialty audits, and
- Training and policy changes.

When corporate-level approval is required for achieving necessary corrective action for audits, the corporate QA department and Divisional Managing Director will coordinate with the Warden and other CCA management officials to accomplish the required changes.

The facility QA Manager, Warden, QA department and/or Divisional Managing Director will monitor progress toward closure of the audit. This will include an immediate review of the response, appropriateness and realism of the plans of action as well as ongoing progress toward completion of all plans of action.

OUTSIDE AGENCY AUDITS

Upon receipt of an audit conducted by the DOC or other outside regulatory agency (i.e. OSHA, fire marshal, health inspector, etc.), the facility shall:

- Submit the agency report to the quality assurance department;
- Review findings and assign responsibility for correcting deficiencies noted in the audit; and

- Provide the quality assurance department with their plans of action in sufficient time to review and comment prior to the facility forwarding the response to the agency.

CORPORATE OVERSIGHT

To ensure the complete implementation of this program, CCA QA and Operations departments will assist the facility with the QA Plan and contract requirements. The QA department will monitor the internal quality control program for the facility, including periodic facility visits and annual corporate audits.

ITEM FIVE

INMATE RIGHTS, RULES AND DISCIPLINE

ACCESS TO COURTS

CCA will provide the inmate population access to courts through the availability of legal reference materials and/or contract attorneys/paralegals. Pursuant to *Lewis v. Casey*, constitutional access to the courts system extends only to assistance with the preparation of initial pleadings (e.g. Motions to Proceed In Forma Pauperis, Motions for Appointment of Counsel, Petitions for Writs of Habeas Corpus, Petitions for Post-Conviction Relief, Civil Complaints for Section 1983 Claims in Commonwealth or federal court). Constitutional access to courts provided by the Commonwealth (or its private contractor) does not extend to assistance with any legal proceedings beyond the initial pleading stage. Though inmates have the right to present issues to the court system, CCA is only required to assist inmates in accordance with the parameters outlined in *Lewis v. Casey*.

CCA provides that all inmates, upon request, receive access to paper and other supplies and services to contact legal counsel or representative, courts and other persons concerning legal matters. Inmates have the right to present any issue, including the following: challenging the legality of their conviction or their conditions of confinement in accordance with the standard set forth in *Lewis v. Casey*. Officers, employees or agents of CCA will not interfere with, harass, punish or otherwise penalize any inmate as a result of the inmate gaining access to the courts.

General Rules

Legal reference materials will be available during hours that facilitate reasonable access by all inmates, including weekends and evenings. If an inmate demonstrates a legitimate need to access the legal reference materials beyond scheduled hours, a request can be submitted to the designated staff. This request will be granted, absent good cause to deny such, and allowed when the inmate is not involved in other scheduled activities.

A schedule outlining times available for using the legal reference materials will be posted with the library rules. Library rules will be published by the facility and remain posted. The rules will be available in English and Spanish if necessary.

Access to the court system shall also be provided to inmates housed in segregation areas.

Correspondence Equipment and Supplies

Inmates may purchase paper, pens and envelopes at the facility. Procedures for obtaining and buying paper, pens, and envelopes, as well as obtaining postage, will be posted at the facility. Typewriter(s) will be available for use to type legal documents or correspondence with the courts.

Through procedures determined at the facility, CCA will provide paper, pens, and envelopes to indigent inmates. CCA will provide postage for privileged mail (e.g. to attorneys or the court system) to indigent inmates in an amount equal to five (5) one ounce letters per week and will not include registered, certified or insured mail.

Indigent inmates may receive three (3) photocopies of each legal document to be filed with the court at no charge unless the Commonwealth or federal court rules expressly Commonwealth that more (or less) than that amount is necessary to file with the court.

INMATE GRIEVANCE PROCEDURES

Whenever possible, inmate complaints and grievances should be resolved on an informal basis without the filing of a formal grievance. Many matters can and should be resolved directly and promptly between the inmate and institutional staff without the necessity of filing a formal grievance. It is extremely important that institutional counseling staff take an active role in resolving as many complaints as possible prior to the filing of a grievance.

However, all inmates will have access to formal grievance procedures any time the informal process has not provided successful resolution of the complaint.

Inmates shall not be subject to retaliation, reprisal, harassment or discipline for use or participation in the grievance procedure. Any allegations of this nature will be thoroughly investigated by the Warden and reviewed by the appropriate corporate Divisional Managing Director. The Division Managing Director will notify the Vice President, Operations of any allegations that are found to be credible.

The facility will have an informal resolution process in place. Inmates are required to utilize the informal resolution process concerning questions, disputes or complaints prior to the submission of a formal grievance. If an inmate does not receive resolution in the informal process, he may file a grievance and must document on the grievance that informal resolution was attempted.

Grievable Matters

The following matters shall be considered grievable through this grievance procedure by inmates:

- Application of policies, rules, and procedures towards inmates over which CCA has control;
- Individual staff and inmate actions, including any denial of access of the grievance procedure;
- Reprisals against inmates for utilizing the Inmate Grievance Procedures;
- The loss of property legitimately possessed by an inmate/inmate only after the procedures outlined in CCA Corporate and Facility Policy 14-6 have been completed; and
- Any other matter relating to the conditions of care and supervision within the authority of CCA, except as noted below.

Non-Grievable Matters

The following matters are not considered grievable by inmates through these grievance procedures:

- Commonwealth and Federal court decisions;
- Commonwealth and Federal laws and regulations;
- Final decisions on grievances;

- Contracting agency policies, procedures, decisions or matters (i.e., institutional transfers, parole and probation decisions, etc.); or
- Disciplinary hearings or appeals.

Emergency Grievances

If the subject matter of the grievance is such that compliance with the regular time guidelines would subject the grievant to risk of personal injury, the grievant may ask that the grievance be considered an emergency and detail the basis for a need of immediate response. (The total time for the grievance process will be no more than ninety (90) days from filing to a final appeal decision, unless unusual circumstances are present).

If the Facility Grievance Officer, after reviewing the basis for the grievance being designated an emergency, determines that an emergency does exist, action shall be taken to resolve the grievance within twenty-four (24) hours of receipt of the grievance.

After the initial action, and within seventy-two (72) hours of receipt of the grievance, the Facility Grievance Officer will prepare and give a written decision to the grievant. If the grievant appeals the decision, the Warden/Administrator or designee will respond with a written decision within five (5) days.

Filing the Grievance

In filing a grievance, the inmate must complete the Inmate Grievance Form (Form 14-5A) and place it in the Grievance Mail Box or, if a Grievance Mail Box is not used, forward it to the Facility Grievance Officer.

The Facility Grievance Officer will check the Grievance Mail Boxes daily, except for weekends and holidays. If a mailbox is not used, grievances are to be forwarded daily to the Facility Grievance Officer.

Grievances are considered special correspondence. If a sealed envelope is labeled "Grievance" and addressed to the Facility Grievance Officer, it will not be opened for inspection unless there is reasonable suspicion to believe the sealed envelope contains contraband. If reasonable suspicion exists and the Warden or designee's approval is obtained, the envelope may be opened and inspected only for contraband.

Appeal

If a grievant is not satisfied with the decision of the Facility Grievance Officer, the grievant may appeal to the Warden or designee by completing the Request for Warden Review portion of the grievance form and submitting this form to the Warden. The Warden or designee's decision shall be final unless otherwise specified in the facility management contract.

The Warden or designee will review the issue of the grievance and the decision to determine if the grievance has been appropriately addressed. The Warden can obtain and review any information necessary to render a decision as to the appeal. A copy of the completed grievance form will be returned to the Facility Grievance Officer who will forward a copy to the inmate.

Distribution and Training

A copy of the policy and procedure will be available to each staff member and for each inmate housed at the facility. All new staff will receive a presentation on the policy and procedure during pre-service training. New inmates will be informed of the grievance procedure upon entry to the facility and a copy will be available in the inmate handbook or library. If there is difficulty in understanding the procedure, every effort shall be made to explain the policy and procedure on an individual basis.

DISCIPLINARY RULES AND REGULATIONS

CCA will impose discipline through rules, regulations and orders pursuant to an inmate disciplinary system meeting or exceeding ACA Standards. If an inmate violates one of the rules, he may be disciplined according to policy guidelines. All disciplinary rules, both system-wide and at the unit level for which an inmate may be disciplined must be in written form, must provide adequate notice of the conduct prohibited and must be appropriately distributed or posted. The rules are provided to the inmate in English and Spanish with translations into another language if necessary. CCA shall be responsible for distribution of Disciplinary Rulebooks for the inmate population.

All alleged violations of rules and regulations will be dealt with through established policies and procedures to verify that due process rights are afforded to the inmate and that the penalty imposed will be fair, impartially given and appropriate for the offense.

If deemed appropriate, informal resolution of minor violations may include counseling, verbal reprimand or the giving of an instruction, warning or order. Informal resolution of minor incidents is encouraged; however, should a staff member believe an offense cannot be handled by verbal communication; he/she may file a written disciplinary report, using the appropriate form, with the Shift Supervisor.

Disciplinary Report

Disciplinary Report forms shall be kept in a central location for issuance as needed. The report will include the following:

- The specific rule(s) violated;
- A formal statement of the charge(s);
- The date and time of the incident;
- The date and time the report was prepared and turned over to the designated supervisor;
- The names of any witnesses;
- Disposition of any physical evidence;
- Any immediate action taken including use of force;
- Any unusual inmate behavior; and
- The reporting officer's signature.

Upon completion of a disciplinary report, the person writing the report will forward it to the Shift Supervisor.

Pre-Hearing Segregation

Pre-hearing segregation may be ordered only by staff with the rank of Shift Supervisor or above. The time an inmate may remain in pre-hearing segregation will be no longer than is necessary to verify their safety or the security of the facility. The inmate's pre-hearing detention status will be reviewed by the Warden or designee within seventy-two (72) hours of placement, including weekends and holidays. The reviewer is to consider the need for continued segregation. If the need no longer exists, the inmate is to be released back to general population pending the hearing.

No inmate is to be placed and detained in pre-hearing segregation unless a disciplinary report is being prepared or an active investigation is being conducted to determine appropriate disciplinary charges. Any time spent in pre-hearing segregation may be credited against any subsequent sentence imposed.

Supervisor Investigation

The designated supervisor is to begin an investigation of the Disciplinary Report within twenty-four (24) hours of the time the violation is reported. The investigation will be completed without unreasonable delay unless there are exceptional circumstances for delaying the investigation.

Notice of the Offense and Rights

Following review of a Disciplinary Report by the designated supervisor, a staff member (correctional office or above) will provide notice of the offense by delivering the report to the inmate no less than twenty-four (24) hours prior to the disciplinary hearing.

Disciplinary Hearing

The disciplinary hearing will be held as soon as practicable but no later than seven (7) days, excluding weekends and holidays, after the alleged violation. Postponement or continuance of the disciplinary hearing for a reasonable period may be granted for good cause.

Notice of the hearing is to be provided in writing to the inmate at least twenty-four (24) hours prior to the hearing. The inmate may agree, in writing, to a hearing with less than twenty-four (24) hours notice. Inmates will be allowed to make a voluntary choice, free from coercion, as to the waiver.

Written Report

At the conclusion of the hearing, a written report will be prepared and given to the inmate which will include:

- ? The decision;
- ? The sentence imposed and the reason for imposing the particular sentence;
- ? A summary of the evidence upon which the decision and sentence was based;
- ? A list of all witnesses (excluding any confidential or anonymous sources);
- ? The date and time of the hearing; and
- ? The signature of all board members or hearing officer.

The disciplinary board/hearing officer's decision is based solely on information obtained in the hearing process, including staff reports, the statements of the inmate charged and evidence derived from witnesses and documents.

Appeals

An inmate may appeal the decision of the disciplinary board/officer as to an offense to the Warden. The inmate is to be advised of their right to appeal the decision of the disciplinary board/hearing officer at the time they are provided the decision. The inmate has up to 15 days within receipt of the decision to file an appeal. If an inmate is found not guilty of an offense, major or minor, either after the hearing or the appeal, all reference to that offense will be removed from his file.

VISITATION

CCA encourages inmates to maintain ties with their families through regularly scheduled, supervised visits limited only by facility schedules, personnel constraints, availability of space, contract requirements, and the safety and security of visitors and inmates. The facility will have a designated area where inmates may accept visitors. Contact and non-contact visitation may be provided as determined by the inmate's custody level and disciplinary status.

CCA realizes that visitation privileges are important to inmates. To ensure that space is available for all inmates to have access to visitation, restrictions may be placed on the number of visitors allowed each inmate. These procedures will be subject to change if deemed operationally necessary. The Warden or designee can make an exception when reasonable suspicion exists that such visits jeopardize the security of the facility or the safety of the inmate or visitor.

CCA's policies and procedures for visitation meet all ACA Standards. A copy of the procedures shall be contained in the inmate handbook in English and Spanish, with translation into other languages (if necessary) and is provided to all inmates during orientation. Visitation schedules shall be posted in each housing unit. The procedures will include, but are not limited to, the following:

- ? Instructions for inmates to submit names for inclusion on the approved visitor's list and circumstances that would cause visitation privileges to be denied or curtailed;
- ? Registration instructions upon entry into the facility and circumstances under which visitors may be searched. The Correctional Officer on duty will have the right to deny entry of any person deemed unfit to conduct himself or herself properly;
- ? Personal property that visitors may bring to the visitation area;
- ? Personal property that inmates may bring to the visitation area;
- ? Rules and regulations governing behavior during visits;
- ? Circumstances that may allow special visits; and
- ? Information to visitors about the most feasible means of transportation to and from the facility, including the location of neighboring public transit terminals.

Special Visits

Special visits shall be allowed but require prior approval from the Warden or designee. Special visits include pastoral, legal and those traveling 300 miles or more. Non-contact visits will be conducted when meeting the established criteria.

CCA is aware of each inmate's right to legal counsel. Specific policy and procedure will govern attorney visits and will include the following provisions:

- ? Recognition of visits by attorneys or other appropriate person(s) acting for an attorney, requested by an inmate, his family or other persons acting for and on behalf of the inmate;
- ? Determination of who is considered an agent acting on behalf of an attorney and recognition of reliable evidence indicating the inmate requested the visit; and
- ? Conditions where security prevails but privacy is maintained.

When security concerns dictate, special visits will be conducted in non-contact areas. Special visits, including legal, will be conducted in accordance with CCA policy and ACA Standards.

MAIL ROOM OPERATIONS

CCA will provide the resources necessary to receive process and deliver inmate mail at the facility in accordance CCA policy and ACA Standards. Procedures include, but are not limited to, the following:

- ? Inmate correspondence: Facility policies and procedures shall be available to all staff and inmates, reviewed annually and kept updated.
- ? Inmate cost: No limits shall be placed on volume, except when necessary to protect security or safety, if the inmate bears the mailing costs.
- ? Postage allowance: Made available to indigent inmates.
- ? Publication access: Governed by CCA policies.
- ? Inspection of general correspondence and packages: Incoming and outgoing inmate mail is subject to opening and inspection and may be read, censored or rejected based on legitimate interests of order and security, and in compliance with CCA policy and the standards. Inmates shall be notified when all or parts of incoming or outgoing mail is withheld.
- ? Special correspondence: Inmates shall be permitted to send sealed letters to specified classes of persons and organizations, including but not limited to:
 - courts;
 - counsel;
 - designated facility wardens;
 - Commonwealth and local chief executive officers;
 - media representatives; and
 - Members of the Commonwealth legislature and grievance administrators.

- ? Additionally, incoming mail to inmates from specified classes of persons and organizations is opened only to inspect for contraband and in the presence of the inmate, unless waived in writing.
- ? Mail inspections: Inmate letters and packages are inspected for the purposes of intercepting contraband, checks, cash and money orders; a receipt is provided to the addressee.
- ? Holding mail: Excluding weekends and holidays, incoming and outgoing letters are held for no more than twenty four (24) hours and packages are held for no more than forty eight (48) hours.

ITEM SIX

HEALTH SERVICES

CCA shall provide all on-site medical, dental and mental health care to comply with, at minimum, federal and Commonwealth laws and regulations, American Correctional Association (ACA) Standards, and evidence-based medical standards of practice. The delivery of routine and emergency care will be provided twenty-four (24) hours per day, seven (7) days per week.

Services will include a program for preliminary screening of inmates upon arrival at the facility, a comprehensive health evaluation, regularly scheduled sick call, and regularly scheduled oversight of inmates with chronic disease.

CCA requires that medical staff be licensed in the Commonwealth of practice. CCA shall provide primary license verification for nurses. Physicians and mid-levels will be fully credentialed, utilizing the National Practitioner's Data Bank. CCA will contract for pharmacy, laboratory and medical supplies vendors under primary vendor status agreements to promote cost effective services. Upon selection, each vendor's professional qualifications will be provided to DOC.

CCA will provide health education to inmates and staff, specialized training in Symptom Recognition to security officers, a Continuous Quality Improvement (CQI) program with monthly reporting and follow-up.

ADMINISTRATIVE HEALTH SERVICES

CCA's written policies and procedures adhere to the highest standards of ACA, and will be operational no later than sixty (60) days after award.

A CCA Regional Director will oversee all health care related activities. On-site audits shall be performed to ensure the delivery of quality care. Additionally, the CCA corporate Health Services department will review all health-related incidents, inmate deaths, and CQI data. CCA shall perform peer reviews and verify all credentialing information on its licensed independent providers. The Utilization Review/Case Management program will monitor all inmate hospitalizations ensuring quality and appropriate care while hospitalized.

PRIMARY MEDICAL CARE

CCA shall provide primary medical care utilizing evidenced-based medicine. Preventive medical care will consist of quarterly chronic clinics, health education, and appropriate lab/testing profiles.

TRIAGE AND SCREENING

Requests for health care will be picked up daily from the housing units. Triage will be performed and scheduled to be seen within 24-72 hours or sooner if indicated. Referrals to a Licensed Independent Provider (LIP) will be timely and in accordance with the condition of the inmate.

SICK CALL

Sick call will be held daily and conducted utilizing highly directive nursing protocols. Sick call will be scheduled according to severity of complaint/physical condition. Referrals to the LIP will be seen not longer than seventy-two (72) hours after referral.

CHRONIC CLINICS

CCA will provide on-going evaluation for chronic disease every ninety (90) days as part of the preventive medicine program. The facility physician/mid-level will conduct these exams and provide on-going education. Physical condition and compliance issues may cause exams to be more frequent.

EMERGENCY SERVICES

Health care staff will provide an immediate response (within four minutes) to inmates with emergency health care needs. All staff shall be trained in basic life support. Automatic external defibrillators will be standard equipment. Additionally, CCA will provide quarterly, unannounced CPR drills for medical and security staff.

MEDICAL OBSERVATION

Medical observation cells will be adjacent to the clinic area. There will also be negative air pressure space. When occupied, security will provide oversight twenty-four (24) hours per day. Written policy, procedure and practice shall be in accordance with ACA Standards.

MENTAL HEALTH SERVICES

Mental health professionals will provide services as governed by applicable ACA Standards to include:

Screening upon intake by nursing staff;

Psychotropic medications as indicated with informed consent and routine monitoring;

Mental health evaluations that are pre-disciplinary, periodic while in segregation, prior to housing assignment, and on-going as clinically indicated;

Suicide prevention shall be a primary focus. Staff will be trained upon hire and annually thereafter;

Involuntary medicating and therapeutic restraints shall be used as a last resort. Policies and procedures shall be in place governing such use; and

Treatment plans shall be provided for those inmates with special needs.

DENTAL SERVICES

On-site dental services will be provided in accordance with ACA Standards. Services will include screening upon intake by nursing staff, dental evaluation by a licensed dental professional, urgent and emergency interventions, and oral hygiene instruction, both initially and on-going.

OPTICAL

Optical services will be provided on-site, providing there is availability of staff within the community. Eye exams with optical correction shall be provided for all inmates with a visual acuity of 20/70 or worse. Inmates requiring treatment beyond the scope of services offered on-site will be seen by a specialist in the community.

PHARMACEUTICALS

CCA shall provide medications to inmates through a correctional pharmaceutical vendor. Policy and procedure will provide guidelines and limitations for direct observation and keep-on-person (KOP) medications. Over-the-counter (OTC) medications shall be administered by nurses during sick call for minor medical complaints, and will be available through the commissary.

CCA will provide a cost-effective, correctionally-sound, formulary. A non-formulary request system will be in place with rapid turn-around. Inmates will receive routine medications within 48-72 hours. Stock legend medication will be available on site for urgent medication needs. A back-up community pharmacy system will also be available as needed.

HEALTH CARE RECORDS

Medical Records shall be maintained in an organized fashion. Documentation by health care providers will be in the subjective objective assessment plan (SOAP) format and will be problem oriented. All off-site services provided will be documented to include discharge summaries, findings and recommendations. All health information shall be protected, utilizing Health Insurance Portability and Accountability Act of 1996 (HIPAA) Standards.

ANCILLIARY SERVICES

LABORATORY

Services shall be provided by a contracted, nationally known vendor. Results will be reported via a printer, with panic levels telephoned to the facility. State laboratory services will be provided locally.

RADIOLOGY

Services will be provided on-site for simple, uncomplicated x-rays, subject to availability of staff. More complex studies will be provided in the community.

EKG

Routine EKG's will be performed on-site and read by the facility physician. A cardiologist over-read will be requested by the facility physician as clinically indicated.

SPECIAL DIETS

Diets will be ordered by the facility physician. Over-site of special diets will be provided by a registered dietitian.

PROSTHESIS

Inmates will be provided with prosthetic devices as medically indicated.

OFF-SITE SERVICES

EMERGENCY ROOM

In the event of an emergency, CCA will arrange for intervention and transportation to the nearest emergency room. Transportation will be appropriate to the inmate's clinical condition.

HOSPITALIZATION

CCA will contract with a local hospital for rendering of services. All in-patient stays will be monitored concurrently by CCA's Utilization Review/Case Management team. Discharge planning will be coordinated between the facility and the local hospital.

SPECIALTY REFERRALS

Various specialists will be used in the community as clinically indicated. All non-emergent referrals will be reviewed for medical necessity and approved by the Chief Medical Officer (CMO) or designee.

ITEM SEVEN

OTHER SERVICES

INMATE MANAGEMENT SYSTEM (ISM2)

Using cutting edge technology, CCA has developed a new automated Inmate Management System (ISM2) that provides functionality for an electronic health record, booking, trust account, commissary management, online logs and more. CCA proposes to implement ISM2 at both proposed facilities including additional recordkeeping functionality and a full clinical information system for inmate health services. CCA can also develop a real-time data exchange as described below, as well as provide DOC staff access to the ISM2 systems for its inmates at either proposed facility.

At its own expense, CCA proposed to develop an automated information exchange with the appropriate DOC systems for data exchange to ensure that both CCA and DOC systems have adequate access to pertinent inmate information. This assumes that DOC systems are capable of open standard information exchange protocols at the database or application level, and that DOC will make appropriate technical resources available for the design and testing of such interfaces, as well as occasional review during the development process.

Additionally, CCA will provide a complete administrative Local Area Network. All members of management, key administrative support staff and case managers will have access to personal computers. These computers will be attached to the CCA frame relay networks. The CCA administrative Local Area Network will have access to the DOC network through our dedicated circuit from Nashville to DOC. This circuit will be used to access Captiva and for data exchange as outlined above.

TECHNOLOGICAL ADVANCES

ISM2 aids in tracking all inmate activity while housed at a facility and can provide the following:

- An automated booking system with inmate photographs that meet the NCIC image quality standards;
- An integrated booking application that includes positive biometric identification images which could be transmitted electronically to DOC systems;
- Real-time data portal to DOC representatives indicating current housing location of individual inmates and housing unit rosters of all inmates;
- Real-time reporting of all inmate commissary orders and trust account history via electronic portal;
- The ability to provide electronic reports of all cell mate assignments for a given inmate during incarceration at either facility during the contract period;
- An electronic health record for all inmates. This record will be available via thin-client portal technology to DOC health services staff in real-time;
- Health services software will provide the following functionality:

- Electronic health record including an imaging system for historical records and dental/anatomical diagrams,
- Electronic Medication Administration Report for all medications administered, including Keep-on-Person medications and medication refusal,
- Automation of provider notes,
- Automated history of lab results,
- Information portal for DOC access to above functionality;

Future software designs call for real-time inmate movement on-line which will integrate with an electronic daily inmate schedule;

An electronic record of facility inmate demographics such as religion, custody level, affiliations, race, disciplinary hearings and grievances; and

- The ability to receive inmate information via electronic interface to the extent that the system can interface with the DOC to obtain vital inmate demographic and crime background data necessary for booking.

CCA's new IMS2 system offers our customers many innovations in the way information is maintained and retrieved in the day-to-day operations of facility management, inmate activities tracking, and recordkeeping. The system was also designed with ACA Standards in mind to ensure accreditation documentation requirements are met.

A new data center has been constructed at CCA's facility support center – our Nashville corporate headquarters – to support the development, implementation and ongoing operating demands of the new IMS2 system. CCA staff who works in areas that will be affected by the new technology will undergo extensive training on the new system. Additional support will be provided by a site specific designated “super user” group, consisting of senior CCA staff members throughout the company. Facilities will have security safeguards built into the system providing only authorized staff with access to inmate records to view or enhance information as needed.

These are the largest IT initiatives in CCA's history. We are excited about giving the Commonwealth of Virginia and the DOC the opportunity to initiate IMS2 at the proposed facilities. It promises to change the landscape of security technology in the corrections industry.

INMATE ORIENTATION

In order to assist each inmate in acclimating to his new environment, the facility will develop a handbook which covers at least the following topics:

- Disciplinary rules and sanctions and due-process and appeal procedures;
- Medical services and process to be followed for obtaining access to medical services;
- Services and items provided by the facility to inmates and how to obtain access to those services and items;
- Program structure;

- Facility organizational structure and role of the different groups of staff;
- List of Contraband items;
- Visitation regulations;
- Mail procedures; and,
- Grievance or administrative remedy procedures.

The handbook should remain current and will be in both English and the foreign language spoken by the majority of the inmates. The handbook will be thoroughly explained to those inmates who are illiterate. For hearing and/or visually disabled inmates, it will be communicated via the modality understood by the individual inmate. The inmate's receipt and understanding of the handbook shall be documented.

INNOVATIVE NEW CCA CLASSIFICATION SYSTEM

CCA has engaged James F. Austin, PhD to develop an objective classification system for use in CCA facilities. Dr. Austin is one of the nation's leading experts on classification of prisoners and has authored numerous publications on prison classification systems. His extensive history and experience includes serving as Research Professor and Director at the Institute for Crime, Justice, and Corrections at George Washington University and Chair of the National Policy Committee for the American Society of Criminology. Dr. Austin is currently a Director with the National Institute of Corrections (NIC) for the National Technical Assistance Program for External and Internal Prison Classification Systems.

CCA recognized the need for a standardized prisoner classification system which meets national standards and can be used throughout the company. The classification system relies primarily on objective and reliable measures of the prisoner's offense severity, prior criminal history, family and social stability and institutional conduct to designate appropriate levels of institutional security and custody.

CCA has named its system "ICAS" which stands for Internal Classification Assessment System. The system was specifically developed for the internal classification of Federal prisoners using Federal crimes in its severity scale. ICAS has been implemented by CCA at pilot facilities wherein Dr. Austin has validated the reliability of the results. ICAS has been automated through a database that enhances overall inmate tracking and can provide management reports to better assess and monitor the housing of prisoners. Dr. Austin continues to provide consulting services to CCA in further system validation and staff training.

CCA will coordinate the classification of all assigned Virginia inmates with the DOC. CCA will ensure that all inmates are classified internally to the most appropriate custody level possible, while balancing the public risk, safety to staff inmates, and programmatic needs. This ensures that the subsequent management level is appropriate and that the needs and requirements of inmates are met. Inmates will be assigned to housing units and programs according to their needs, court orders and existing resources.

INMATE RECORDS AND REPORTS

CCA will maintain inmate records and shall adhere to federal, Commonwealth and local laws governing confidentiality. Access to these files will be controlled and limited to usage by persons duly authorized by the Warden or designee after demonstrating a job-related need for such information. Criminal history, a judgment and sentence, recent classification actions, infractions, and medical records will be provided to CCA.

LAUNDRY

CCA will provide inmate laundry services in compliance with applicable ACA Standards and CCA policy. The laundry shall be operated on a schedule that provides for laundry services of all bed linens and returned issuance of clothing, bedding and towels.

INMATE PROPERTY

It is the policy of CCA to specify allowable personal property inmates can retain in their possession. CCA will maintain inventory records of inmate property and provide a copy of each inventory or receipt to the inmate as documentation. CCA will investigate lost/stolen property claims and in certain instances where property is lost by CCA; CCA may offer replacement or reimbursement for the loss.

A list of Allowable Personal Property will be provided to all inmates. Any items not on the Allowable Personal Property list will be considered contraband and will be confiscated in accordance with CCA policy. Inmates acquiring additional property will be provided a receipt or inventory list of these items as documentation of ownership.

All inmates will sign a Property Disclaimer every time they arrive at the facility, stating that all their personal property is accounted for and that they understand it is their responsibility to keep their cell doors or lockers secured when they leave their respective housing units.

SANITATION AND HYGIENE

CCA demands that facility sanitation and hygiene programs comply with all Commonwealth and federal regulations and ACA Standards pertaining to a correctional facility of this type. During routine operations, every prudent effort is made to protect the health and safety of inmates and staff.

Sanitation policies have been developed which, at a minimum, dictates the following:

- Daily inspections of his/her area of responsibility by each correctional officer assigned to a housing unit;
- Weekly inspections for each respective area within the confines of the facility by the department head responsible; and
- Monthly inspections of all areas of the facility by the sanitation officer.

CCA will meet the requirements of ACA in the provision of bedding and linen, storage, built-in cell furniture and hygiene supplies. Lighting and ventilation shall be maintained in compliance with the requirements of the ACA and tested on a schedule established and required by the standards.

HOUSEKEEPING PLANS

A written housekeeping plan will be developed and implemented at the facility to ensure all areas of the physical plant are provided daily housekeeping and regular custodial maintenance. Cleaning schedules and frequencies shall be established based upon industry-wide custodial standards. Custodians from the inmate population shall be carefully supervised to ensure that the work performed is thorough and meets or exceeds the required standards.

VERMIN AND PEST CONTROL

CCA shall have a contract in place with a licensed and certified pest control subcontractor to provide emergency and recurring monthly pest control services for all buildings, structures, systems and operational facilities. All pesticides or other chemicals will be applied in a manner that will protect both the environment and endangered species common to the region.

TRASH AND GARBAGE COLLECTION

CCA will have contracts in place with trash, garbage and bio-hazardous waste management contractors. Refuse will be picked up from the designated areas at the facility. Solid waste generated during daily operations will be transported to the dumpsters by custodial staff.

INMATE COMMISSARY

A commissary shall be made available to inmates for purchase of non-essential items not furnished by the facility, such as soft drinks, candy and personal items. Items sold in the commissary are not sold as a substitute for the facility's obligation to furnish supplies and materials that are essential to inmates.

CCA's commissary operation shall provide the following:

- Inclusion of commercially prepared items not furnished by the facility;
- Items consistent with Commonwealth and local health codes and regulations;
- Items consistent with safety and security;
- Availability to inmates during hours that do not interfere with meals or other regularly scheduled activities; and
- Supervision and control by CCA employees hired specifically for that purpose.

In order to ensure that items are not sold which are prohibited by policy, the Warden or designee shall monitor each newly issued or revised commissary list to ensure that current items being sold are in accordance with policy guidelines.

Commissary items shall be sold at a price to cover the cost of inventory. Profits may be used to maintain the commissary including, but not limited to, staff and inmate labor and supplies and upkeep. Any remaining profits shall be contributed to the Inmate Welfare Fund.

FOOD SERVICE

CCA will provide food service for all inmates in compliance with applicable ACA Standards. CCA will provide supplemental diets, as prescribed by physicians or dietitians, to inmates with HIV/AIDS, and inmates with other medical conditions requiring supplements to the regular diet. Food will not be withheld for disciplinary reasons. Restricted or special diets, prescribed by recognized medical authority or religious authority, will be provided as required.

Of all basic needs to be met in a secure confinement setting, food service assumes the most visible role. Wholesome and nutritious food is central to an inmate's health and behavior, while lack of it becomes the catalyst for all discomforts and complaints. It must not be simply wholesome and nutritious, however. The quality of food and its presentation are equally important in contributing to the inmate's positive attitude.

Inmates will be provided with three meals daily, at least two of which will be hot, in accordance with ACA Standards. Variations will be made on weekends and holidays to add variety and better accommodate the inmate population. CCA will operate its food services in accordance with all standards regarding sanitation, safety and food preparation, handling, serving, and storage.

MENU PLANNING

Menu planning and delivery for inmates is developed in a professional manner consistent with ACA Standards. All menus are reviewed by a registered dietitian for compliance with nutrition standards, and food is served in appropriate surroundings. To ensure efficient planning and delivery of meals, the food service manager prepares advance master menus and forwards them to a registered dietitian for review and approval. The review by dietitian includes all therapeutic diets for medical or dental purposes and special diets to meet the needs of inmates. CCA will provide the following special diets:

- non-pork;
- lacto-ovo vegetarian;
- strict vegetarian;
- low sodium;
- low sugar;
- modified consistency diet for geriatric inmates;
- specialized medical diets, including renal, gluten free, liquid, and diabetic diets.

In planning menus for the inmates, developing nutritionally complete meals is important. CCA has special menu planning experience from all of its facilities and understands the importance of the education and monitoring that must be provided to inmates on medically modified diets. Medical staff will periodically speak with the inmates on special diets in order to decide if the diet is working properly or if the inmate's eating patterns must be modified. Medical staff keeps a close watch on inmates on special diets through these periodic monitoring/evaluation visits.

Equally important is the allocation of the required number of calories for daily consumption to effectively fuel inmate activities, both routine and non-routine. All CCA menus are written following the guidelines of the American Dietetic Association, the National Academy of Sciences and the American Medical Association. CCA will prepare meals for inmates on regular diets so as to provide a minimum of 3200 calories per day consistent with recommended daily allowances.

FOOD PRESENTATION & SERVING

Food must be flavorful, of good texture, temperature controlled and palatable. CCA food service personnel maintain a file of tested recipes, serve food as soon as possible after preparation, continuously monitor temperature of food and storage areas and sample food items prior to serving.

Meals are prepared in the central kitchen for both staff and inmates. Meals will be served either in the facility dining hall or via satellite feeding.

In facilities with a central dining hall, inmates will eat in the group dining room under the supervision of correctional officer staff. Inmates will be scheduled to eat in such a way that the dining room is never overcrowd and can be easily supervised. It is important and essential to the safety of the population and staff that classes of inmates be kept separate during movement, feeding, and programming.

Facilities that operate with satellite feeding will eat in the dayrooms of their living units. The food is transported in fully-insulated thermal serving trays by dietary staff and inmate workers. Inmates are served under the supervision of the unit officer. Upon completion of feeding, trays are returned by food prep porters to food services.

Meals will also be served to inmates located in other areas of the facility, such as during admission and for inmates housed in the clinic. Meals served outside the dining areas will be identical to those served inside unless they are sack lunches prepared for inmates in transport or on work release. Satellite feeding for inmates not able to eat in the dining hall or dayroom will include areas such as intake, inmates in the medical center, and inmates housed in segregation.

Meals will also be provided for staff at their posts and volunteers. The staff meals will be identical in quantity and quality as those provided for inmates. There will be a staff dining facility directly within the area of the inmate dining hall. CCA believes that the overall level of food quality is enhanced when staff and inmates eat the same meals.

FOOD SERVICE SANITATION AND CLEANLINESS

The food service department will comply with applicable sanitation and health regulations. Systems and procedures used to assist in maintaining a safe and sanitary environment include the following provisions:

Operation in accordance with the standards promulgated by the ACA (Standards for Adult Detention Facilities and Certification Standards for Food Service Programs) and applicable Commonwealth health regulations;

Documentation of an inspection of the food service area at least weekly by the warden or designee;

Examination of staff and inmate assistants by each facility's health authority to detect communicable or infectious diseases or illness;

Hair-nets or caps and clean washable uniforms for staff and inmates;

Assurance that all food products (specifically, vegetables, fruit and meat) meet applicable U.S. Department of Agriculture guidelines;

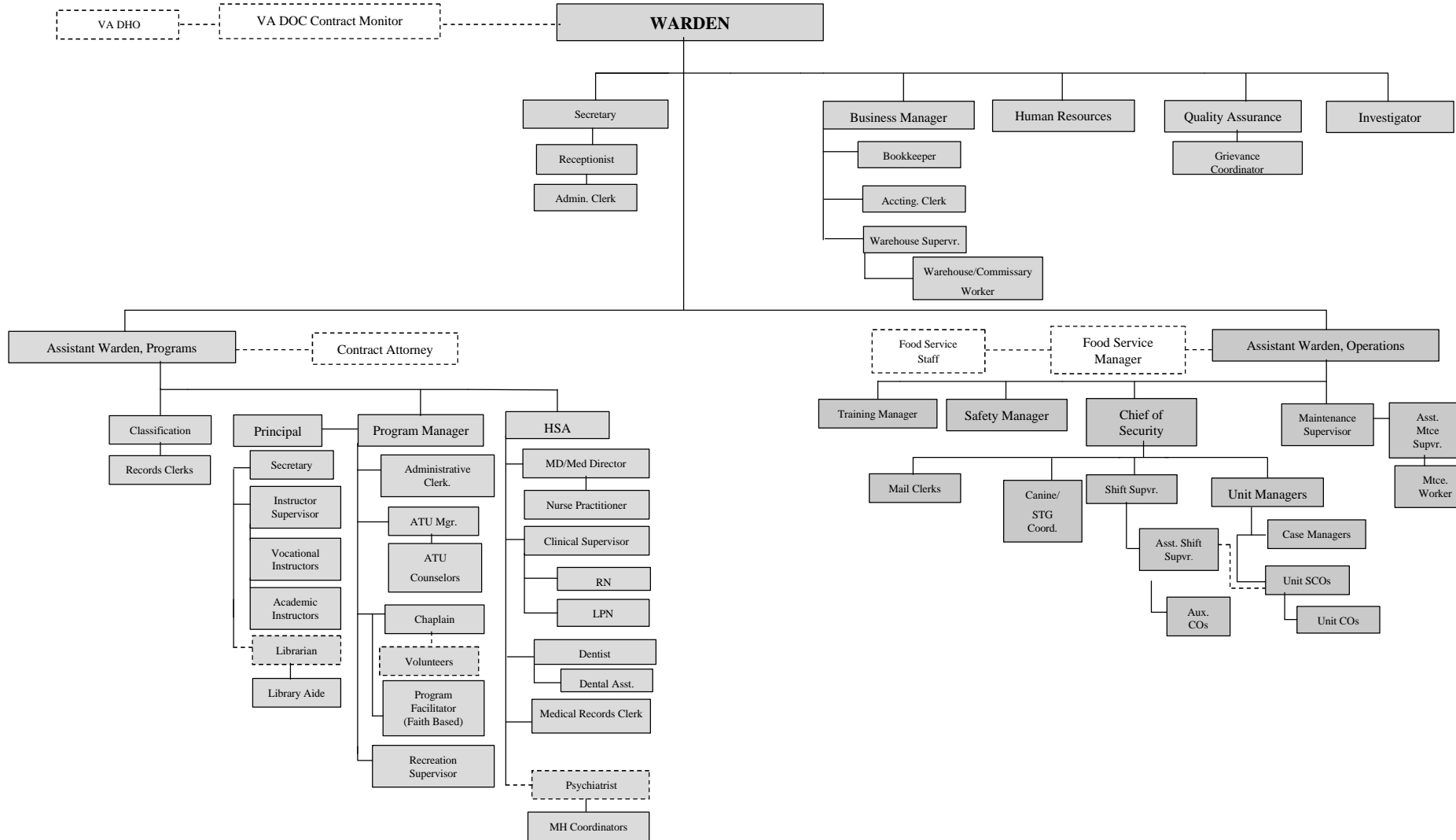
Use of proper equipment and utensils and correct sanitation methods; and

Implementation of pest and vermin control systems to include monthly inspection performed by qualified persons.

FOOD SERVICE MANAGEMENT

Management and supervision of the food service department will be performed by an employee who is qualified by training and experience with the demonstrated ability to supervise employees and inmates. Staff under the employee's direction receives training in food service operations prior to assuming responsibility. Training includes, but is not limited to, meal preparation, menu planning, ordering procedures, and security procedures, supervision of inmates, health and safety practices and inventory control. CCA policies and procedures prohibit staff from withholding food from inmates as a disciplinary sanction.

Organizational Chart



Virginia Department of Corrections
Charlotte County/Mount Rogers
1,024 Beds

| STAFF DEPLOYMENT BY SHIFT & POSITION | |
|---|---------------|
| MANAGEMENT/SUPPORT | 18.00 |
| SECURITY/OPERATIONS | 71.00 |
| UNIT MANAGEMENT | 99.00 |
| SERVICES | 8.00 |
| PROGRAMS | 13.50 |
| HEALTH SERVICES | 22.00 |
| EDUCATION | 19.00 |
| TOTAL | 250.50 |

| | 1ST | 2ND | 3RD | DAYS | RELIEF | TOTAL |
|----------------------------|--------------|--------------|--------------|----------------|---------------|--------------|
| MANAGEMENT/SUPPORT | SHIFT | SHIFT | SHIFT | COVERED | FACTOR | STAFF |
| Warden | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Assistant Warden | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Training Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Business Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Bookkeeper | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Accounting Clerk | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Manager, Human Resources | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Manager, Quality Assurance | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Investigator | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Grievance Coordinator | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Safety Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Mail Room Clerk | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Secretary | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Administrative Clerk | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Receptionist | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| TOTAL | | | | | | 18.00 |

| | 1ST | 2ND | 3RD | DAYS | RELIEF | TOTAL |
|---|--------------|--------------|--------------|----------------|---------------|--------------|
| SECURITY/OPERATIONS | SHIFT | SHIFT | SHIFT | COVERED | FACTOR | STAFF |
| Chief of Security | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Shift Supervisor | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| Assistant Shift Supervisor | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| Assistant Shift Supervisor - Canine/STG | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| * Armory/Key Control Officer | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| * Intake/Property Officer | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| * Visitation Officer | 3 | 0 | 0 | 4 | 0.60 | 2.00 |
| * Transportation Officer | 4 | 0 | 0 | 5 | 1.20 | 5.00 |
| * Vehicle Sallyport Officer | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| * Laundry Officer | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| * Education Officer | 2 | 1 | 0 | 5 | 1.00 | 3.00 |
| * Work Detail Officer | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| * Central Control Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| * Front Entrance (Lobby) Officer | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Perimeter Patrol Officer | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Recreation Officer | 3 | 3 | 0 | 7 | 1.70 | 10.00 |

Virginia Department of Corrections
Charlotte County/Mount Rogers
1,024 Beds

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|-----------------------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| SECURITY/OPERATIONS | | | | | | |
| * Utility/Search & Escort Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| * Kitchen Officer | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Medical Officer | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| Administrative Clerk | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| TOTAL | | | | | | 71.00 |

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|-----------------------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| UNIT MANAGEMENT | | | | | | |
| Unit A - 256 Beds | | | | | | |
| Unit Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Case Manager | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| SCO | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Pod Control Officer | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Housing Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| Unit B - 256 Beds | | | | | | |
| Unit Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Case Manager | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| SCO | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Pod Control Officer | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Housing Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| Unit C - 256 Beds | | | | | | |
| Unit Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Case Manager | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| SCO | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Pod Control Officer | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Housing Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| Unit D - 256 Beds | | | | | | |
| Unit Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Case Manager | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| SCO | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Pod Control Officer | 1 | 1 | 1 | 7 | 1.70 | 5.00 |
| * Housing Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| Segregation Unit - 20 Beds | | | | | | |
| SCO | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Pod Control Officer | 1 | 1 | 0 | 7 | 1.70 | 3.00 |
| * Housing Officer | 2 | 2 | 1 | 7 | 1.70 | 9.00 |
| TOTALS | | | | | | 99.00 |

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|----------------------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| SERVICES | | | | | | |
| Warehouse Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Warehouse/Commissary Worker | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Maintenance Supervisor | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Assistant Maintenance Supervisor | 0 | 1 | 0 | 5 | 1.00 | 1.00 |
| Maintenance Worker | 3 | 0 | 0 | 5 | 1.00 | 3.00 |

Virginia Department of Corrections
Charlotte County/Mount Rogers
1,024 Beds

| | | | | | | | |
|----|----------------------|---|---|---|---|------|-----------------|
| ** | Food Service Manager | 1 | 0 | 0 | 5 | 1.00 | <i>Contract</i> |
|----|----------------------|---|---|---|---|------|-----------------|

Virginia Department of Corrections
Charlotte County/Mount Rogers
1,024 Beds

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|-----------------------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| SERVICES | | | | | | |
| ** Assistant Food Service Manager | 0 | 1 | 0 | 5 | 1.00 | Contract |
| ** Food Service Supervisor | 2 | 2 | 0 | 7 | 1.40 | Contract |
| TOTAL | | | | | | 8.00 |

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|-----------------------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| PROGRAMS | | | | | | |
| Program Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Classification Supervisor | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Addiction Treatment Manager | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Addiction Treatment Counselor | 5 | 0 | 0 | 5 | 1.00 | 5.00 |
| Recreation Supervisor | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Records Clerk | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Administrative Clerk | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Chaplain | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Program Facilitator (Faith-Based) | 1 | 0 | 0 | 5 | 0.50 | 0.50 |
| ** Inmate Attorney | | | | PRN/CONTRACT | | |
| TOTAL | | | | | | 13.50 |

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|--------------------------------|--------------|--------------|--------------|-----------------------------|------------------|----------------|
| HEALTH SERVICES | | | | | | |
| Health Services Administrator | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| A.R.N.P./PA | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Clinical Supervisor | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| RN | 0 | 1 | 1 | 7 | 1.70 | 3.00 |
| LPN | 3 | 2 | 1 | 7 | 1.70 | 10.00 |
| Mental Health Coordinator (MS) | 2 | 0 | 0 | 5 | 1.00 | 2.00 |
| Medical Records Clerk | 1 | 1 | 0 | 5 | 1.00 | 2.00 |
| Dentist | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Dental Assistant | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| ** Physician | | | | CONTRACT / 8 HOURS PER WEEK | | |
| ** Psychiatrist | | | | CONTRACT / 8 HOURS PER WEEK | | |
| TOTAL | | | | | | 22.00 |

| | 1ST SHIFT | 2ND SHIFT | 3RD SHIFT | DAYS COVERED | RELIEF FACTOR | TOTAL STAFF |
|-----------------------|--------------|--------------|--------------|-----------------|------------------|----------------|
| EDUCATION | | | | | | |
| Principal | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Instructor Supervisor | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Academic Instructor | 5 | 3 | 0 | 5 | 1.00 | 8.00 |
| Vocational Instructor | 5 | 2 | 0 | 5 | 1.00 | 7.00 |
| Library Aide | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| Secretary | 1 | 0 | 0 | 5 | 1.00 | 1.00 |
| ** Librarian | | | | PRN/CONTRACT | | |
| TOTAL | | | | | | 19.00 |

* Post positions included in the Correctional Officer job classification.

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** Positions hired on a contractual or fee basis for services rendered.

SECTION 3 PROJECT FINANCING

This confidential proprietary information is under seperate cover.

SECTION 4 PROJECT BENEFIT AND COMPATIBILITY

Community Benefits

Identify community benefits, including the economic impact the project will have on the Commonwealth and local community in terms of amount of tax revenue to be generated for the Commonwealth and political subdivisions, the number jobs generated for Virginia residents and level of pay and fringe benefits of such jobs, the training opportunities for apprenticeships and other training programs generated by the project and the number and value of subcontracts generated for Virginia subcontractors.

The Virginia Department of Corrections' mission is to "enhance public safety by controlling and supervising sentenced offenders in a humane, cost-efficient manner, consistent with sound correctional principles and constitutional standards." Ensuring a "safe and healthy environment at all Department facilities and worksites" is a key goal in accomplishing the DOC's mission, and one that may be compromised if the Commonwealth is unable to expand capacity to meet projected need as identified in recent prison forecasts prepared by the agency. Further, other options for meeting this need, such as housing state-responsible inmates at local and regional jails, is no longer viable because of overcrowding at those facilities. The burden on the Commonwealth and local jurisdictions will only increase through 2005-2019 with a lead time of four plus years to procure and develop. New facilities must continue to be developed.

By providing increased capacity of new medium security facilities, our proposal benefits both the state and the local jurisdictions that regularly accommodate state prisoner overflow - relieving overcrowding enhances safety and reduces the strain on limited resources.

The state also benefits from obtaining more prototypical beds at a reduced cost. By incorporating best practices and by adapting the site design of new facilities, our proposal achieves operating efficiencies for the state that translate into long-term reductions in operating costs. The structure of the PPEA process itself allows the state to achieve more of these cost savings. This was recognized by legislation adopted by the 2004 General Assembly requiring the Department to analyze use of the PPEA for all new prison facilities.

The economic boost from a large construction program and subsequent ongoing operation of the facility support hundreds of jobs and generate new tax revenues for state and local governments. Based upon data used by Foundation 2002, the organization created to support the recent bond referendum for college

SECTION 4 PROJECT BENEFIT AND COMPATIBILITY

construction, for every \$1 million spent on capital projects, Virginia gains 16.4 jobs and realizes \$60,283 in taxes over a five-year development period. Opening two new correctional facilities in the Mount Rogers Planning District and Charlotte County will create a substantial amount of both temporary construction jobs and permanent DOC or private staffing jobs in the communities in which they will be located, realizing more tax revenues for the Commonwealth. Additionally, the construction and operational phases and the resulting material purchases, construction, and operational payrolls will create indirect and induced spending, known as "multiplier effects." These economic impacts associated with the operation of the facility will continue throughout the life of the facility and can even affect demographic characteristics of these areas, such as impacts on the local housing markets and increases in community services. These jobs and subsequent economic impacts will be particularly welcome in a region that has experienced an economic downturn due to a significant number of job cuts at textile and furniture manufacturers in recent years.

Centex has a solid track record in maximizing the use of local contractors, a practice that will benefit many in the region. As noted in the public involvement plan below, our team will use proactive outreach to notify Virginia subcontractors of business opportunities.

Support or
Opposition

Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project.

We anticipate continued strong support from the Commonwealth's legislative and executive branches for developing and operating new correctional facilities. In fact, this proposal is in direct response to language in the budget bill passed by the 2004 General Assembly and signed by the Governor calling for a third prison facility in the Mount Rogers region and a fourth facility in Charlotte County. All objective data points to the need for additional facilities, and Virginia must begin planning now to meet the anticipated growth in prison populations over the next decade. Further, leveraging today's extraordinarily low interest rates to expand DOC capacity at the lowest cost in recent history will enable the General Assembly and the Governor to focus allocation of the Commonwealth's restricted budget and debt capacity to services that Virginians see as more high-profile and vital.

SECTION 4 PROJECT BENEFIT AND COMPATIBILITY

Public Involvement Plan

Explain the strategy and plans that will be carried out to involve and inform the general public, business community and governmental agencies in areas affected by the project.

Keeping Virginians informed of construction plans is essential to the success of any public building program. Our team members are well versed in preparing exhibits, leaflets, presentations, websites and other communications tools that clearly explain proposed construction projects and their anticipated impact on local communities. As specific locations for new construction are determined, we will work with the DOC to notify the appropriate elected officials and economic development entities. We will work closely with the Virginia DOC to prepare a variety of communications tools to support discussions with citizens and representatives of local businesses, civic organizations and governmental agencies, fielding as many of those meetings as the DOC desires. We will also work with other local, state and federal funding agencies to identify ways to lower the cost to DOC by developing needed infrastructure to serve the site.

This process of information dissemination is equally important once facility construction has been completed. If DOC selects CCA as a private operator, CCA will utilize community outreach programs developed during our experience in other communities where we have operated prisons over the last 21 years. Community acceptance of the project is crucial to the long term success of the facility. The groundswell of support usually starts in the business community and is driven by the desire to stimulate the local economy through job creation and economic development associated with the construction and operation of the facility. If these interests are supported by the local elected officials, it then becomes a matter of reaching out and informing the general public regarding the project specifics, and holding straight forward discussions about the daily operations of a correctional facility. Public hearings, informational meetings and question and answer sessions are essential to addressing issues and concerns of the general public. One successful outreach program has been monthly community relations meetings hosted at the facility and combined with tours and question and answer periods that allow staff to address possible misconceptions and highlight firsthand the many departments and programs involved in the operation of a correctional facility.

SECTION 4 PROJECT BENEFIT AND COMPATIBILITY

Provided further, the entire team will strive to maximize the participation of local businesses as an important aspect of the proposed project and in fulfillment of Governor Warner's Executive Order 29 to encourage utilization of small, minority-owned and female-owned businesses. We will work with the Department of Minority Business Enterprise and local economic development entities to notify local businesses of opportunities and hold work fairs and job-training sessions.

Our team members have extensive experience in maximizing the participation of local and disadvantaged firms in public-private projects. For example, Virginia DOC's Red Onion \$68 million design-build project, in which team members participated, awarded 80% of contracts to local firms.

Economic Development Compatibility

Describe the compatibility of the project with local, regional, and state economic development efforts.

The creation of construction jobs and permanent DOC or private jobs caused by our project is a positive impact compatible with any local, regional or state economic development organization. It fulfills the spirit of the Virginia Economic Development Partnership's goal of "enhancing the quality of life and raising the standard of living for all Virginians, in collaboration with Virginia communities, through aggressive business recruitment, expansion assistance, and trade development, thereby expanding the tax base and creating higher-income employment opportunities."

With both specified and future project sites within the Mount Rogers Planning District and Charlotte County, we will meet with local and regional economic development entities to engage their assistance in encouraging local businesses to participate in our project and to coordinate our infrastructure development and future operation plans with their long-range economic development program. Cooperative agreements and community partnering are keys to a successful project and helping to foster and support a capable local work force is crucial to a project's success.

SECTION 4 PROJECT BENEFIT AND COMPATIBILITY

Compatibility with Local Plans and Budgets

Describe the compatibility with the local comprehensive plan, local infrastructure development plans and any capital improvements budget or other government spending plan.

With preferred locales identified, our team members are working closely with local officials to make sure our construction and future operational plans fit the guidelines of their comprehensive and infrastructure development plans and coincide with local capital improvements and spending plans.

CONSOLIDATED BALANCE SHEETS AND
OTHER FINANCIAL INFORMATION
Centex Construction Group, Inc. and Subsidiaries
March 31, 2004 and 2003

Centex Construction Group, Inc. and Subsidiaries

Consolidated Balance Sheets and
Other Financial Information

March 31, 2004 and 2003

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Report of Independent Auditors

The Board of Directors
Centex Construction Group, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Centex Construction Group, Inc. (a wholly owned subsidiary of Centex Corporation) and subsidiaries as of March 31, 2004 and 2003. These balance sheets are the responsibility of the Company's management. Our responsibility is to express an opinion on these balance sheets based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audits of the balance sheets provide a reasonable basis for our opinion.

In our opinion, the balance sheets referred to above present fairly, in all material respects, the consolidated financial position of Centex Construction Group, Inc. and subsidiaries at March 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the consolidated balance sheets taken as a whole. The accompanying consolidating balance sheet as of March 31, 2004, is presented for purposes of additional analysis and is not a required part of the consolidated balance sheets. Such information has been subjected to the auditing procedures applied in our audits of the consolidated balance sheets and, in our opinion, is fairly stated in all material respects in relation to the consolidated balance sheets taken as a whole.

Ernst & Young LLP

Dallas, Texas
May 14, 2004

Centex Construction Group, Inc. and Subsidiaries

Consolidated Balance Sheets (Dollars in thousands, except share data)

| | March 31 | |
|---|------------|------------|
| | 2004 | 2003 |
| Assets | | |
| Current assets: | | |
| Cash | \$ 2,684 | \$ 3,088 |
| Restricted cash | 7,544 | 6,332 |
| Short-term investments with affiliated company | 377,692 | 381,741 |
| Accounts receivable, including retainage of \$103,187 and \$87,465, respectively | 304,244 | 246,092 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 16,008 | 16,038 |
| Deferred income taxes | 1,543 | 9,842 |
| Total current assets | 709,715 | 663,133 |
| Property and equipment, at cost | 17,255 | 21,659 |
| Accumulated depreciation | (9,782) | (11,350) |
| Property and equipment, net | 7,473 | 10,309 |
| Investment in joint ventures | 2,483 | 920 |
| Other assets | 2,038 | 1,798 |
| Total assets | \$ 721,709 | \$ 676,160 |
| Liabilities and Stockholder's Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities, including retainage of \$101,360 and \$99,888, respectively | \$ 404,209 | \$ 377,797 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 62,067 | 63,280 |
| Due to parent company | 36,422 | 34,332 |
| Total current liabilities | 502,698 | 475,409 |
| Minority interests | 568 | 650 |
| Commitments and contingencies (Note 4) | — | — |
| Stockholder's equity: | | |
| Common stock, \$10 par value; | | |
| 1,000 shares authorized, issued and outstanding | 10 | 10 |
| Capital in excess of par value | 328 | 328 |
| Retained earnings | 218,105 | 199,763 |
| Total stockholder's equity | 218,443 | 200,101 |
| Total liabilities and stockholder's equity | \$ 721,709 | \$ 676,160 |

See accompanying notes.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (Dollars in thousands)

March 31, 2004

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Operations

Centex Construction Group, Inc. (the Company), a Nevada corporation, is a wholly owned subsidiary of Centex Corporation. The Company, through its operating subsidiaries, is engaged in general building construction as a construction manager and general contractor throughout the continental United States. The primary construction market sectors in which the Company operates are the commercial office building, health care, education, hospitality, criminal justice facilities, retail, sports, and military housing sectors.

Basis of Presentation

The consolidated balance sheets include the accounts of the Company and its wholly owned subsidiaries after the elimination of all significant intercompany balances and transactions.

Operating companies:

- Centex Construction Company, Inc. (CCC)
- Centex Rooney Construction Co., Inc. (Rooney)
- Centex Golden Construction Company (Golden)
- Centex Rodgers, Inc. (Rodgers)
- Centex Engineering & Construction, Inc. (CEC)

Nonoperating companies:

- Centex Construction Group Services, LLC
- Independent General Agency, Inc.
- GHQ Company, Inc.

Use of Estimates

The preparation of balance sheets in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets. Actual results could differ from these estimates.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued) (Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Fiscal Year

The Company's fiscal year begins April 1 and ends March 31.

Short-Term Investments With Affiliate Company

The Company, through an affiliated company, invests excess cash in an interest-bearing account with a subsidiary of Centex Corporation. The account earns interest at the prime rate (4.0% and 4.25% at March 31, 2004 and 2003, respectively) and is guaranteed by Centex Corporation.

Receivables and Payables on Construction Contracts

Receivables on construction contracts include retainage withheld by customers until completion of contracts. As a general contractor, the Company withholds similar retainage from subcontractors until completion of subcontracts. Based on current estimated completion dates, retainage receivable and payable will become due generally within one year.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are capitalized and depreciated. Repairs and maintenance are expensed as incurred.

Property and equipment consist of the following at March 31:

| | 2004 | 2003 |
|--|-----------|-----------|
| Furniture, fixtures, and equipment | \$ 11,756 | \$ 13,839 |
| Leasehold improvements | 5,499 | 4,624 |
| Airplane (held for sale at March 31, 2003) | — | 3,196 |
| Property and equipment, at cost | 17,255 | 21,659 |
| Accumulated depreciation | (9,782) | (11,350) |
| Property and equipment, net | \$ 7,473 | \$ 10,309 |

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued) (Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Depreciation

The Company provides for depreciation using the straight-line method over the estimated useful lives of the depreciable assets, which are shown below:

| | |
|------------------------------------|---------------|
| Furniture, fixtures, and equipment | 3 to 10 years |
| Leasehold improvements | Life of lease |
| Airplane | 10 years |

Long-Lived Assets

Long-lived assets held and used are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If such review indicates an asset is impaired, the carrying amount is written down to fair value. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

During fiscal 2003, the Company decided to sell its airplane and ceased using it. Accordingly, the Company recorded an impairment charge to reduce the airplane to its estimated fair value less costs to sell and ceased recording depreciation expense. The Company disposed of the airplane during fiscal 2004.

Revenue and Cost Recognition

The Company recognizes earnings from construction contracts on the percentage-of-completion method, based on costs incurred to total estimated costs. The Company continuously reviews total estimated costs and earnings and makes necessary adjustments based on its evaluations. Revisions in costs and earnings estimates during the course of work are reflected in the period in which the facts which require the revision become known. Due to uncertainty inherent in the estimation process, it is reasonably possible that such estimates will be revised over the next year. When a loss is forecasted for a contract, the full amount of the anticipated loss is recognized in the period in which it is determined that a loss would occur.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued)

(Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Unapproved change orders and claims, primarily due to customer-caused delays, incomplete specifications or similar reasons, are included in earnings from construction contracts only after management has determined that collection is probable and the amount can be reliably estimated. The settlement of these amounts depends on negotiations with the counterparty; accordingly, the timing of collection will vary and may extend beyond one year.

Costs and estimated earnings in excess of amounts billed on uncompleted contracts are classified as current assets. Amounts billed in excess of costs and estimated earnings on uncompleted contracts are classified as current liabilities. Costs of construction contracts include all direct material, labor and subcontract costs, and certain indirect costs related to contract performance. Construction costs incurred prior to executing a contract are charged against earnings as incurred unless an agreement for reimbursement is in place.

The Company includes in current assets and current liabilities amounts related to construction contracts receivable and payable over the lives of the related contracts (operating cycle), which are generally due within one year but may exceed one year.

Minority Interests

The Company has majority ownership interests in certain joint ventures. For financial reporting purposes, the assets, liabilities, revenues, and expenses of these joint ventures are consolidated with those of the Company. The ownership interests not owned by the Company are presented as minority interests in the accompanying consolidated balance sheets.

The Company has minority ownership interests in certain joint ventures. The Company's proportionate share of income earned on those joint ventures is accounted for using the equity method of accounting. Such ownership interests are presented as investment in joint ventures in the accompanying consolidated balance sheets.

Fair Value of Financial Instruments

The carrying amounts of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, and due from/to parent company approximate fair value, as these amounts are generally due or payable within the Company's operating cycle.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued)

(Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

Reclassifications

Certain March 31, 2003 amounts have been reclassified to conform with the March 31, 2004 presentation.

New Accounting Standards

In August 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS No. 144 provides guidance on accounting for the impairment or disposal of long-lived assets. The Company adopted SFAS No. 144 effective April 1, 2002. The adoption of SFAS No. 144 did not have an effect on the Company's consolidated financial position.

In November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* (FIN No. 45). FIN No. 45 requires a guarantor to recognize a liability at fair value upon the inception of certain guarantees and also requires a guarantor to make certain new disclosures about guarantees, including warranties, even when the likelihood of making payment under the guarantees is remote. In general, FIN No. 45 applies to contracts or indemnification agreements that contingently require the guarantor to make payment to the guaranteed party based on the changes in an underlying that is related to an asset, liability, or an equity security. Certain guarantees, including guarantees for which the underlying is related to performance (regarding function, not price) of nonfinancial assets that are owned by the guaranteed party, are subject only to the disclosure requirements and not initial recognition and measurement provisions of FIN No. 45.

The disclosure requirements of FIN No. 45 are effective for financial statements ending after December 31, 2002, and as such are included in Note 4. The initial recognition and measurement provisions of FIN No. 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. As of March 31, 2004 and 2003, the Company has not issued any guarantees that are subject to the initial recognition and measurement provisions of FIN No. 45.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued)

(Dollars in thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

In January 2003, the FASB issued Financial Accounting Standards Board Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities*, which was amended in December 2003. FIN 46 requires an investor with a majority of the variable interests (primary beneficiary) in a variable interest entity (VIE) to consolidate the entity, and also requires majority and significant variable interest investors to provide certain disclosures. A VIE is an entity in which the voting equity investors do not have a controlling financial interest or the equity investment at risk is insufficient to finance the entity's activities without receiving additional subordinated financial support from the other parties. The provisions of FIN 46 were effective immediately for all arrangements entered into with new VIEs created after January 31, 2003. For arrangements entered into with VIEs created before January 31, 2003, the provisions of FIN 46 are effective at the end of the first reporting period ending after March 15, 2004. The adoption of FIN 46 did not have a material impact on the Company's financial position or results of operations.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 (SFAS 150), *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS 150 establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Certain provisions of this Statement are effective for financial instruments entered into or modified after May 31, 2003. In October 2003, FASB deferred indefinitely certain provisions of this Statement pertaining to limited life subsidiaries. The implementation of the provisions of SFAS No. 150, which are now effective, did not have an impact on the Company's consolidated results of operations or financial position.

2. Income Taxes

The Company files a consolidated tax return for federal income tax purposes with Centex Corporation. The Company computes its share of the consolidated income tax provision as if it files a separate return. Federal income taxes currently payable are paid to Centex Corporation, with the deficiency of estimated payments made during the year presented as due to parent company in the accompanying consolidated balance sheets.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued) (Dollars in thousands)

2. Income Taxes (continued)

Deferred tax assets and liabilities reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The principal differences relate to differences in carrying value of property and equipment and the treatment of certain accruals and contracts for income tax purposes.

Deferred income tax assets and liabilities are as follows:

| | March 31 | |
|-------------------------------|-----------------|-----------------|
| | 2004 | 2003 |
| Deferred tax assets | \$ 17,149 | \$ 12,932 |
| Deferred tax liabilities | (15,606) | (3,090) |
| Net deferred income tax asset | <u>\$ 1,543</u> | <u>\$ 9,842</u> |

3. Employee Benefit Plan

The Company participates in a defined contribution profit sharing and retirement plan that covers substantially all of the Company's salaried employees, subject to certain specified service requirements.

4. Commitments and Contingencies

Lease Commitments

The Company leases office space and equipment under certain long-term noncancelable operating leases. Future minimum lease payments under such leases are as follows:

| | |
|-----------------------|------------------|
| Year ending March 31: | |
| 2005 | \$ 4,303 |
| 2006 | 3,959 |
| 2007 | 3,712 |
| 2008 | 3,685 |
| 2009 | 3,390 |
| Thereafter | 6,992 |
| | <u>\$ 26,041</u> |

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued) (Dollars in thousands)

4. Commitments and Contingencies (continued)

Guarantees

In the ordinary course of business, the Company issues certain representations, warranties, and guarantees standard to the industry. The maximum amount to which the Company may be exposed under such items cannot be estimated. However, based on historical evidence, the Company does not expect these items to have a material adverse effect on the Company's consolidated financial position.

The Company warrants to the owners and architects of construction projects that the materials and equipment furnished under the contract are of good quality and new, unless otherwise required or permitted by the contract, and that work conforms to the requirements of the contract. The warranty period is generally limited to 1-5 years after the date of substantial completion of work performed. Specific terms and conditions of the warranty may vary depending on the contract. The Company periodically assesses the adequacy of its warranty reserve and adjusts it as necessary. Based on historical evidence, the Company does not expect warranty claims to have a material impact on its consolidated financial position.

Litigation and Claims

The Company is a defendant in various litigation incidental to its business, and in certain cases the amounts sought include substantial claims and counterclaims. Although the outcome of litigation cannot be predicted with certainty, in the opinion of management, based on the facts known at this time, the outcome of all such litigation will not have a material impact on the Company's consolidated financial position.

Self-Insurance Reserves

The Company has workers' compensation, automobile, and general liability (collectively, Casualty) insurance that provides coverage by insurance companies and Centex Corporation subject to deductibles and coverage limits. Additionally, for consideration from certain customers, the Company provides certain payment and performance coverage related to work performed by certain subcontractors (Subguard). The Company's Subguard insurance program provides coverage by an insurance company subject to deductibles and coverage limits. As such, any Casualty or Subguard claim within the related deductible per incident or in excess of the related insurance limit is the financial obligation of the Company.

Centex Construction Group, Inc. and Subsidiaries

Notes to Consolidated Balance Sheets (continued)

(Dollars in thousands)

4. Commitments and Contingencies (continued)

The Company maintains self-insurance reserves for Casualty and Subguard claims based on management's estimate of known and anticipated claims. Such reserves were approximately \$15.8 million and \$13.3 million at March 31, 2004 and 2003, respectively, and are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. The actual settlement and disposition of these claims could significantly differ from management's estimates. However, based on the facts known at this time, management does not expect the ultimate outcome of these claims to have a material impact on the Company's consolidated financial position.

Other Financial Information

Centex Construction Group, Inc. and Subsidiaries

Consolidating Balance Sheet

March 31, 2004
(Dollars in thousands)

| | Total | Consolidating Adjustments | CCC | Rooney | Rodgers | CEC | Golden | Nonoperating Companies |
|--|------------|------------------------------|------------|------------|------------|-----------|--------|---------------------------|
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash | \$ 2,684 | \$ — | \$ 860 | \$ 1,205 | \$ 591 | \$ 28 | \$ — | \$ — |
| Restricted cash | 7,544 | — | 7,544 | — | — | — | — | — |
| Short-term investments with affiliated company | 377,692 | (367,168) | 106,298 | 157,346 | 83,515 | 19,208 | 801 | 377,692 |
| Accounts receivable, including retainage of \$111,522 | 304,244 | — | 142,677 | 55,760 | 82,775 | 18,798 | — | 4,234 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 16,008 | — | 10,618 | 3,144 | 2,234 | 12 | — | — |
| Deferred income taxes | 1,543 | — | 1,632 | (94) | (883) | 632 | — | 256 |
| Total current assets | 709,715 | (367,168) | 269,629 | 217,361 | 168,232 | 38,678 | 801 | 382,182 |
| Investment in stock of subsidiaries | — | (31,337) | — | 4,625 | — | — | — | 26,712 |
| Property and equipment, at cost | 17,255 | — | 5,839 | 5,194 | 2,866 | — | — | 3,356 |
| Accumulated depreciation | (9,782) | — | (3,325) | (3,111) | (1,680) | — | — | (1,666) |
| Property and equipment, net | 7,473 | — | 2,514 | 2,083 | 1,186 | — | — | 1,690 |
| Investment in joint ventures | 2,483 | — | — | 2,483 | — | — | — | — |
| Other assets | 2,038 | — | 143 | 709 | 36 | 13 | — | 1,137 |
| Total assets | \$ 721,709 | \$ (398,505) | \$ 272,286 | \$ 227,261 | \$ 169,454 | \$ 38,691 | \$ 801 | \$ 411,721 |

Centex Construction Group, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

March 31, 2004
(Dollars in thousands)

| | Total | Consolidating Adjustments | CCC | Rooney | Rodgers | CEC | Golden | Nonoperating Companies |
|--|------------|------------------------------|------------|------------|------------|-----------|---------|---------------------------|
| Liabilities and Stockholder's Equity | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities, including retainage of \$102,477 | \$ 404,209 | \$ — | \$ 176,242 | \$ 85,160 | \$ 115,250 | \$ 18,618 | \$ — | \$ 8,939 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 62,067 | — | 33,277 | 16,282 | 8,227 | 4,081 | 200 | — |
| Due (from) to parent company | 36,422 | — | (343) | (21) | (602) | (1,508) | (10) | 38,906 |
| Total current liabilities | 502,698 | — | 209,176 | 101,421 | 122,875 | 21,191 | 190 | 47,845 |
| Minority interests | 568 | — | 492 | (277) | 353 | — | — | — |
| Stockholder's equity: | | | | | | | | |
| Common stock | 10 | (268,001) | 1 | 10 | 1 | 1 | 100 | 267,898 |
| Capital in excess of par value | 328 | (17,006) | 2,427 | 336 | 1,999 | 9,999 | 2,000 | 573 |
| Retained earnings (accumulated deficit) | 218,105 | (113,498) | 60,190 | 125,771 | 44,226 | 7,500 | (1,489) | 95,405 |
| Total stockholder's equity | 218,443 | (398,505) | 62,618 | 126,117 | 46,226 | 17,500 | 611 | 363,876 |
| Total liabilities and stockholder's equity | \$ 721,709 | \$ (398,505) | \$ 272,286 | \$ 227,261 | \$ 169,454 | \$ 38,691 | \$ 801 | \$ 411,721 |

Consolidated Statement of Financial Condition

December 31, 2003

| | December 31 2003 |
|---|------------------------|
| ASSETS | |
| Cash | \$ 20,946,611 |
| Securities segregated for regulatory purposes, at market | 82,100,000 |
| Deposits with clearing organizations and others | 15,599,261 |
| Receivable from brokers and dealers and clearing organizations | 72,070,054 |
| Receivable from customers | 503,575,123 |
| Securities purchased under agreements to resell | 546,913,591 |
| Securities owned, at market | 795,944,566 |
| Memberships in exchanges, at cost (market value: \$7,895,500) | 7,485,729 |
| Furniture, equipment and leasehold improvements, less allowances for depreciation and amortization of \$16,203,000 | 12,903,007 |
| Other assets | 124,803,732 |
| | <u>\$2,182,341,674</u> |
| LIABILITIES AND STOCKHOLDER'S EQUITY | |
| Liabilities: | |
| Short-term borrowings | 91,200,000 |
| Due to affiliate | 22,389,486 |
| Payable to brokers and dealers and clearing organizations | 58,564,454 |
| Payable to customers | 544,832,268 |
| Customer drafts payable | 30,397,165 |
| Securities sold under agreements to repurchase | 479,664,730 |
| Securities sold, not yet purchased, at market | 315,436,559 |
| Other liabilities | 184,545,868 |
| | <u>1,727,030,530</u> |
| Stockholder's equity: | |
| Common Stock, par value \$.625 per share: authorized 100,000,000 shares; 29,404,235 shares issued and outstanding | 18,377,646 |
| Paid in capital | 39,114,173 |
| Retained earnings | 397,819,325 |
| | <u>455,311,144</u> |
| | <u>\$2,182,341,674</u> |

See accompanying notes.

Morgan Keegan

Morgan Keegan & Company, Inc.
Members New York Stock Exchange, SIPC

| | | |
|------------------|----------------|-------------------|
| Not FDIC Insured | May Lose Value | No Bank Guarantee |
|------------------|----------------|-------------------|

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION Morgan Keegan & Company, Inc. and Subsidiaries December 31, 2003

NOTE 1— DESCRIPTION OF THE COMPANY

Morgan Keegan & Company, Inc. and subsidiaries (the Company) is a registered securities broker/dealer under the Securities Exchange Act of 1934 and a wholly-owned subsidiary of Regions Financial Corporation (the Parent). The Company is in one principal line of business of providing investment services, primarily in the southern United States. These services include the underwriting, distribution, trading and brokerage of equity and debt securities, as well as the sale of mutual funds and other investment products. In addition, the company provides investment management for retail and institutional clients and trust services for retail clients. The Company is a member of the New York Stock Exchange, Inc., the National Association of Securities Dealers, Inc. and other principal exchanges.

The consolidated statement of financial condition includes the accounts of the Company and its subsidiaries after elimination of all material intercompany balances and transactions.

NOTE 2— SIGNIFICANT ACCOUNTING POLICIES

Financial Assets and Liabilities: Substantially all of the Company's financial assets and liabilities are carried at fair value or at amounts, which because of the short-term nature of the financial instruments, approximate current fair value. Fair value is generally based on published market prices.

Securities: Securities owned and securities sold, not yet purchased are carried at fair value. Securities transactions are presented on a trade-date basis.

Securities-Lending Activities: Securities borrowed and securities loaned transactions are generally reported as collateralized financings except where letters of credit or other securities are used as collateral. Securities-borrowed transactions require the Company to deposit cash, letters of credit, or other collateral with the lender. With respect to securities loaned, the Company receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of securities loaned. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary. Interest is accrued on securities-borrowed and securities-loaned transactions and is included in other assets or other liabilities on the consolidated statement of financial condition.

Furniture, Equipment and Leasehold Improvements: Furniture, equipment and leasehold improvements are carried at cost.

Reverse Repurchase and Repurchase Agreements: Securities purchased under agreements to resell (Reverse Repurchase Agreements) and securities sold under agreements to repurchase (Repurchase Agreements) generally are collateralized by U.S. Government and agency obligations and are carried at the amounts at which the securities will be subsequently resold or reacquired as specified in the respective agreements. Interest is accrued on repurchase or resale contract amounts and is included in other assets or other liabilities on the consolidated statement of financial condition.

Government securities segregated in a special reserve bank account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission represents securities purchased under an agreement to resell of \$82,100,000 at December 31, 2003.

Income Taxes: Deferred income taxes reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Receivable from Customers: Receivable from customers includes amounts arising from uncompleted transactions and margin balances. Securities, which are owned by customers but held as collateral for receivable from customers, are not included in the consolidated statement of financial condition.

Use of Estimates: The preparation of the consolidated statement of financial condition in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated statement of financial condition and accompanying notes. Actual results could differ from those estimates. The primary estimates reflected in the accompanying consolidated statement of financial condition include reserves for uncollectible customer receivables and contingent liabilities.

Recent Accounting Pronouncements: In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities, an Interpretation of ARB 51." In December 2003, the FASB revised FIN 46 to incor-

porate several FASB Staff Positions and change the effective date. FIN 46 addresses consolidation by business enterprises of variable interest entities (VIE). In general, FIN 46 defines a VIE as any legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 excludes certain interests from its scope including transferors to qualifying special purpose entities subject to Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" and employee benefit plans subject to specific accounting requirements in existing FASB Statements. FIN 46 was effective immediately to VIEs created after January 31, 2003. For variable interests in entities considered to be special-purpose entities, FIN 46 was effective on December 31, 2003, for calendar-year companies. For variable interests in other entities, FIN 46 will be effective on March 31, 2004, for calendar-year companies. The Company adopted the provisions of FIN 46 for all variable interests in entities created or modified after January 31, 2003. In addition, the Company adopted FIN 46 for entities considered to be special-purpose entities on December 31, 2003. The adoption of the effective provisions of FIN 46 did not have a material effect on the Company's financial position. FIN 46 will be adopted for entities not considered to be special-purpose entities on March 31, 2004. Management does not believe the adoption of FIN 46 for these entities will have a material effect on the Company's financial position.

NOTE 3— SHORT TERM BORROWINGS AND DUE TO AFFILIATE

At December 31, 2003, the Company had an unsecured line of credit of \$200,000,000 with the Parent, but with no loans outstanding. There was no compensating balance associated with this line of credit, and there is no expiration. This line bears interest at the federal funds rate plus 50 basis points.

Amounts due to affiliate represent payables to other subsidiaries of the Parent arising in the normal course of business and are \$22,389,486 at December 31, 2003.

At December 31, 2003, the Company had total lines of credit with other financial institutions of \$375,000,000, with expirations prior to December 31, 2004, under which \$115,000,000 could be borrowed on an unsecured basis. There were no compensating balances associated with these lines of credit. There was \$91,200,000 outstanding against these lines of credit at December 31, 2003. Secured amounts are collateralized by securities held in safekeeping at the respective financial institution. The lines bear interest at rates tied to the federal funds rate. Interest rates on outstanding balances at December 31, 2003 ranged from 1.3% to 1.6%.

NOTE 4— LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

There were no liabilities subordinated to claims of general creditors at December 31, 2003.

NOTE 5— SECURITIES & DEPOSITS WITH CLEARING ORGANIZATIONS AND OTHERS

Securities owned for trading purposes consist of the following as of December 31, 2003:

| | |
|---------------------------------|-----------------------|
| U.S. Government obligations | \$ 543,632,099 |
| State and municipal obligations | 169,103,369 |
| Corporate bonds | 48,602,871 |
| Bankers' acceptances | 31,063,226 |
| Stocks | 3,543,001 |
| | <u>\$ 795,944,566</u> |

State and municipal obligations include an issue with a par value of \$12,700,000 which has been written down to a fair value of \$4,699,000 at December 31, 2003 as determined by management of the Company, which is the amount expected to be recovered from the bonds. In addition, the Company has advanced a total of approximately \$2,500,000 to fund capital improvements expected to be recovered from the operations of the skilled-care facility which issued the bonds.

Deposits with clearing organizations and others consist of cash and U.S. Government obligations with a total fair value of \$12,460,968 at December 31, 2003.

Securities segregated for regulatory purposes consist of (U.S. Government obligations) with a total fair value of \$82,100,000 at December 31, 2003. These securities were on deposit in a special reserve bank account on the dates indicated to satisfy the Company's reserve requirement under capitalized rule 15c3-3 of the Securities and Exchange Commission.

Securities sold, not yet purchased for trading purposes consist of the following as of December 31, 2003:

| | |
|-----------------------------|-----------------------|
| U.S. Government obligations | \$ 309,541,359 |
| Corporate bonds | 1,502,028 |
| Stocks | 4,348,217 |
| Bankers' acceptance | 44,955 |
| | <u>\$ 315,436,559</u> |

Securities sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price and thereby create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of securities sold, not yet purchased may exceed the amount reflected in the consolidated statement of financial condition.

NOTE 6— RECEIVABLE FROM BROKERS AND DEALERS AND CLEARING ORGANIZATIONS

Accounts with brokers and dealers and clearing organizations consist of the following at December 31, 2003:

| | |
|---------------------------------|----------------------|
| Receivable: | |
| Securities failed to deliver | \$ 45,485,964 |
| Due from clearing organizations | 110,980 |
| Securities borrowed | 26,354,930 |
| Other | 118,180 |
| | <u>\$ 72,070,054</u> |
| Payable: | |
| Securities failed to receive | \$ 50,067,501 |
| Due to clearing organizations | 1,475,772 |
| Securities loaned | 7,021,181 |
| | <u>\$ 58,564,454</u> |

NOTE 7— COMMITMENTS AND CONTINGENCIES

At December 31, 2003, the Company had pledged approximately \$63,000,000 in customer-owned securities to cover customer margin requirements with a clearing organization.

In 2002, a jury in the United States District Court for the Western District of Oklahoma returned a verdict against Morgan Keegan & Company, Inc. in a suit that was first filed on April 24, 2000 by Nuveen Premium Income Fund 4, Inc. and thereafter by Strong Municipal Bond Fund, Inc. Suit also was filed against T. Kenny & Co., the underwriter of the bonds, against whom the jury also rendered a verdict. The suit alleged that misrepresentations were made in connection with the sale of an issue of multi-family housing bonds purchased by the plaintiffs in 1998. While the judgment entered by the district court contained several alternatives, the maximum damage award equals approximately \$22,900,000, plus interest and an additional award of approximately \$1,530,000 in attorneys' fees, expenses and costs. The Company has appealed the decision to the United States Court of Appeals for the Tenth Circuit. No payment of the judgment amounts is required while the appeal is pending. Management of the Company is of the opinion that it has meritorious grounds for appeal and that liability resulting from litigation will have no material adverse effect on the Company's financial condition.

The Company is named in various proceedings incidental to its securities business. While the ultimate resolution of pending litigation and claims cannot be predicted with certainty, based upon the information currently known, management is of the opinion that it has meritorious defenses and has instructed its counsel to vigorously defend such lawsuits and claims, and that liability, if any, resulting from all litigation will have no material adverse effect on the Company's financial condition.

NOTE 8— DEFERRED INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2003 are as follows:

| | |
|--|----------------------|
| Deferred tax assets | |
| Deferred compensation and restricted stock | \$ 19,369,483 |
| Non-deductible reserves | 9,792,880 |
| Insurance and benefits | 729,332 |
| Other | 5,133,746 |
| | <u>\$ 35,025,441</u> |
| Deferred tax liabilities | |
| Depreciation and related items | \$ 2,731,548 |
| Net deferred tax assets | <u>\$ 32,293,893</u> |

Net deferred tax assets are included in other assets on the consolidated statement of financial condition. Management has evaluated the need for a valuation allowance for all or part of the deferred tax assets and believes that the deferred tax assets will be more likely than not realized. Accordingly, no valuation allowance has been recorded.

NOTE 9— REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

The Company enters into sales of securities under agreements to repurchase with the obligation to repurchase the securities sold reflected as a liability in the consolidated statement of financial condition. These agreements carry risks of changes in fair value similar to securities held in the Company's inventory.

The Company also enters into purchases of securities under agreements to resell (reverse repurchase agreements). The amounts advanced under these agreements represent short-term loans and are reflected as a receivable in the consolidated statement of financial condition. Securities purchased under agreements to resell are held in safekeeping in the Company's name. Should the market value of the underlying securities decrease below the amount recorded, the counterparty is required to place an equivalent amount of additional securities in safekeeping in the name of the Company.

Government securities segregated in a special reserve bank account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission represents securities purchased under an agreement to resell at \$82,100,000 at December 31, 2003.

NOTE 10— REGULATORY REQUIREMENTS

As a registered broker/dealer and member of the New York Stock Exchange, Inc., the Company is subject to the Securities and Exchange Commission's (SEC) uniform net capital rule 15c3-1. The Company has elected to operate under the alternate method of the rule, which prohibits a broker/dealer from engaging in any securities transactions when its net capital, as defined, is less than 2% of its aggregate debit balances arising from customer transactions. The SEC may also require a member to reduce its business and restrict withdrawal of capital if its net capital is less than 4% of aggregate debit balances, and may prohibit a member firm from expanding its business and declaring cash dividends if its net capital is less than 5% of aggregate debit balances.

At December 31, 2003, the Company had net capital of \$247,009,626, which was 43% of its aggregate debit balances and \$235,594,851 in excess of the 2% net capital requirement.

NOTE 11— FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CREDIT RISK

The Company's activities involve the execution, settlement and financing of various securities transactions. Customer activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to the customer, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customer's account. Such transactions may expose the Company to off-balance sheet risk in the event that margin requirements are not sufficient to fully cover losses that customers incur.

The Company, as a part of its normal brokerage activities, assumes short positions on securities. The establishment of short positions exposes the Company to off-balance sheet risk in the event prices increase, as the Company may be obligated to cover such positions at a loss. The Company manages its exposure to these instruments by entering into offsetting or other positions in a variety of financial instruments.

As a securities broker/dealer, a substantial portion of the Company's transactions are collateralized. The Company's exposure to credit risk associated with nonperformance in fulfilling contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair the customers' or contra party's ability to satisfy their obligations to the Company. Where considered necessary, the Company requires a deposit of additional collateral or a reduction of securities positions. If another party to the transaction fails to perform as agreed (such as failure to deliver a security or failure to pay for a security), the Company may incur a loss if the market value of the security is different from the contract amount of the transaction.

The Company maintains its cash deposits in various financial institutions, several of which include amounts in excess of that insured by the Federal Deposit Insurance Corporation.

In the normal course of business, the Company enters into underwriting and forward and future commitments. At December 31, 2003, the contract amount of future contracts to purchase and sell U.S. Government and municipal securities was approximately \$41 million and \$153 million, respectively. The Company typically settles its position by entering into equal but opposite contracts and, as such, the contract amounts do not necessarily represent future cash requirements. Settlement of the transactions relating to such commitments are not expected to have a material effect on the Company's financial position.

Transactions involving future settlement give rise to market risk, which represents the potential loss that can be caused by a change in the market value of a particular instrument. The Company's exposure to market risk is determined by a number of factors, including the size, composition and diversification of positions held, the absolute and relative levels of interest rates and market volatility.

While the Company regularly participates in the trading of some derivative securities for its customers, this trading is not a significant portion of the Company's business. The Company does not participate in the trading of derivative securities for its own account.

NOTE 12—SUBSEQUENT EVENTS

In January 2004, the Board of Directors unanimously approved a \$10 million dollar dividend payable to the Parent Company, Regions Financial Corporation. The dividend was paid on January 29, 2004.

On January 23, 2004, Regions Financial Corporation, the Parent Company, announced that a definitive merger agreement had been signed to merge with Union Planters Corporation.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors

Morgan Keegan & Company, Inc.

We have audited the accompanying consolidated statement of financial condition of Morgan Keegan & Company, Inc., a wholly-owned subsidiary of Regions Financial Corporation, as of December 31, 2003. This consolidated statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated statement of financial condition presentation. We believe that our audit of the consolidated statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the financial position of Morgan Keegan & Company, Inc. at December 31, 2003, in conformity with accounting principles generally accepted in the United States.

Memphis, Tennessee
February 6, 2004

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders of
Corrections Corporation of America

We have audited the accompanying consolidated balance sheets of Corrections Corporation of America and Subsidiaries as of December 31, 2003 and 2002 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Corrections Corporation of America and Subsidiaries at December 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Notes 2, 3, 13, and 14 to the consolidated financial statements, the Company changed its methods of accounting for goodwill and other intangibles and for the disposal of long lived assets in 2002 and changed its method of accounting for derivative instruments in 2001.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee

February 6, 2004 (except with respect to the matters
discussed in the eleventh paragraph of Note 15
and the second paragraph of Note 17, as to which
the date is February 19, 2004)

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

| | Dec 31, _____ | |
|---|---------------|--------------|
| ASSETS | 2003 | 2002 |
| Cash and cash equivalents | \$ | \$ 65,406 |
| Restricted cash | | 7,363 |
| Accounts receivable, net of allowance of \$1,999 and \$1,344, respectively | | 119,197 |
| Deferred tax assets | | - |
| Income tax receivable | | 32,499 |
| Prepaid expenses and other current assets | | 12,299 |
| Current assets of discontinued operations | | 17,583 |
| Total current assets | | 254,347 |
| Property and equipment, net | 1,586,979 | 1,551,781 |
| Investment in direct financing lease | 17,751 | 18,346 |
| Goodwill | 15,563 | 20,902 |
| Deferred tax assets | 6,739 | - |
| Other assets | 38,818 | 28,211 |
| Non-current assets of discontinued operations | - | 484 |
| Total assets | \$ 1,959,028 | \$ 1,874,071 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Accounts payable and accrued expenses | \$ 156,656 | \$ 151,516 |
| Income tax payable | 913 | 3,685 |
| Distributions payable | 150 | 5,330 |
| Current portion of long-term debt | 1,146 | 23,054 |
| Current liabilities of discontinued operations | 761 | 2,381 |
| Total current liabilities | | 185,966 |
| Long-term debt, net of current portion | 1,002,282 | 932,905 |
| Other liabilities | 21,655 | 21,202 |
| Total liabilities | | 1,140,073 |
| Commitments and contingencies | | |
| Preferred stock - \$0.01 par value; 50,000 shares authorized: | | |
| Series A - 300 and 4,300 shares issued and outstanding at December 31, 2003 and 2002, respectively; stated at liquidation preference of \$25.00 per share | 7,500 | 107,500 |
| Series B - 962 and 4,408 shares issued and outstanding at December 31, 2003 and 2002, respectively; stated at liquidation preference of \$24.46 per share | 23,528 | 107,831 |
| Common stock - \$0.01 par value; 80,000 shares authorized; 35,020 and 27,986 shares issued and outstanding at December 31, 2003 and 2002, respectively | 350 | 280 |
| Additional paid-in capital | 1,441,742 | 1,343,066 |
| Deferred compensation | (1,479) | (1,604) |
| Retained deficit | (695,590) | (822,111) |
| Accumulated other comprehensive loss | (586) | (964) |
| Total stockholders' equity | | 733,998 |
| Total liabilities and stockholders' equity | \$ 1,959,028 | \$ 1,874,071 |

The accompanying notes are an integral part of these consolidated financial statements.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

| | For the Years Ended December 31, | | |
|---|----------------------------------|--------------------|------------------|
| | 2003 | 2002 | 2001 |
| REVENUE: | | | |
| Management and other | \$ 1,032,995 | \$ 934,050 | \$ 906,177 |
| Rental | 3,742 | 3,701 | 5,718 |
| | <u>1,036,737</u> | <u>937,751</u> | <u>911,895</u> |
| EXPENSES: | | | |
| Operating | 775,311 | 721,352 | 698,941 |
| General and administrative | 40,467 | 36,907 | 34,568 |
| Depreciation and amortization | 52,937 | 51,292 | 52,729 |
| | <u>868,715</u> | <u>809,551</u> | <u>786,238</u> |
| OPERATING INCOME | <u>168,022</u> | <u>128,200</u> | <u>125,657</u> |
| OTHER (INCOME) EXPENSE: | | | |
| Equity in (earnings) loss of joint venture | (119) | 153 | 358 |
| Interest expense, net | 74,446 | 87,478 | 126,242 |
| Expenses associated with debt refinancing and recapitalization transactions | 6,687 | 36,670 | - |
| Change in fair value of derivative instruments | (2,900) | (2,206) | (14,554) |
| Loss on disposals of assets | 261 | 110 | 74 |
| Unrealized foreign currency transaction (gain) loss | (556) | (622) | 219 |
| | <u>77,819</u> | <u>121,583</u> | <u>112,339</u> |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE | <u>90,203</u> | <u>6,617</u> | <u>13,318</u> |
| Income tax benefit | <u>52,352</u> | <u>63,284</u> | <u>3,358</u> |
| INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE | <u>142,555</u> | <u>69,901</u> | <u>16,676</u> |
| Income (loss) from discontinued operations, net of taxes | (772) | 2,459 | 9,018 |
| Cumulative effect of accounting change | - | (80,276) | - |
| NET INCOME (LOSS) | <u>141,783</u> | <u>(7,916)</u> | <u>25,694</u> |
| Distributions to preferred stockholders | <u>(15,262)</u> | <u>(20,959)</u> | <u>(20,024)</u> |
| NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS | <u>\$ 126,521</u> | <u>\$ (28,875)</u> | <u>\$ 5,670</u> |
| BASIC EARNINGS (LOSS) PER SHARE: | | | |
| Income (loss) from continuing operations before cumulative effect of accounting change | \$ 3.95 | \$ 1.77 | \$ (0.14) |
| Income (loss) from discontinued operations, net of taxes | (0.03) | 0.09 | 0.37 |
| Cumulative effect of accounting change | - | (2.90) | - |
| Net income (loss) available to common stockholders | <u>\$ (1.04)</u> | <u>\$ (1.04)</u> | <u>\$ (1.04)</u> |
| DILUTED EARNINGS (LOSS) PER SHARE: | | | |
| Income (loss) from continuing operations before cumulative effect of accounting change | \$ 3.46 | \$ 1.59 | \$ (0.14) |
| Income (loss) from discontinued operations, net of taxes | (0.02) | 0.08 | 0.37 |
| Cumulative effect of accounting change | - | (2.49) | - |
| Net income (loss) available to common stockholders | <u>\$ (0.82)</u> | <u>\$ (0.82)</u> | <u>\$ (0.82)</u> |

The accompanying notes are an integral part of these consolidated financial statements.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

For the Years Ended December 31

| | 2003 | 2002 | 2001 |
|--|------------------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income (loss) | \$ 141,783 | \$ (7,916) | \$ 25,694 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 54,011 | 54,388 | 54,135 |
| Amortization of debt issuance costs and other non-cash interest | 7,505 | 11,816 | 22,652 |
| Cumulative effect of accounting change | - | 80,276 | |
| Expenses associated with debt refinancing and recapitalization transactions | 6,687 | 36,670 | |
| Deferred and other non-cash income taxes | (50,082) | 646 | (3,531) |
| Equity in (earnings) loss of joint venture | (119) | 153 | 358 |
| Unrealized foreign currency transaction (gain) loss | (556) | (622) | 219 |
| Other non-cash items | 2,259 | 2,455 | 2,579 |
| Loss on disposals of assets | 266 | 130 | 74 |
| Change in fair value of derivative instruments | (2,900) | (2,206) | (14,554) |
| Changes in assets and liabilities, net: | | | |
| Accounts receivable, prepaid expenses and other assets | 2,892 | 7,706 | (6,657) |
| Income tax receivable | 32,499 | (32,141) | 32,207 |
| Accounts payable, accrued expenses and other liabilities | 12,294 | 5,405 | (22,002) |
| Income tax payable | (3,692) | (55,371) | 1,587 |
| Net cash provided by operating activities | <u>202,847</u> | <u>101,389</u> | <u>92,761</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Expenditures for acquisitions and development | (56,673) | (4,843) | |
| Expenditures for other capital improvements | (35,522) | (12,254) | (6,435) |
| (Increase) decrease in restricted cash | (5,460) | 5,174 | (3,328) |
| Proceeds from sale of assets | 487 | 4,595 | 140,277 |
| Increase in other assets | (4,099) | (3,199) | (1,443) |
| Purchase of business | - | (321) | - |
| Payments received on direct financing leases and notes receivable | 986 | 1,175 | 1,861 |
| Net cash provided by (used in) investing activities | <u>(100,281)</u> | <u>(9,673)</u> | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Proceeds from issuance of debt | 482,250 | 890,000 | - |
| Borrowings from revolving lines of credit | - | | 39,000 |
| Scheduled principal repayments | (7,394) | (17,764) | (7,667) |
| Other principal repayments | (387,266) | (878,938) | (220,303) |
| Payment of debt issuance and other refinancing and related costs | (18,579) | (37,478) | (7,012) |
| Proceeds from issuance of common stock | 124,800 | - | - |
| Payment of stock issuance costs | (7,674) | (21) | (20) |
| Proceeds from exercise of stock options and warrants | 1,276 | 433 | - |
| Purchase and retirement of common stock | (66,464) | | - |
| Purchase and redemption of preferred stock | (191,984) | (354) | - |
| Payment of dividends | (12,706) | (19,648) | (2,182) |
| Cash paid for fractional shares | - | - | (91) |
| Payment to terminate interest rate swap agreement | - | (8,847) | - |
| Net cash used in financing activities | <u>(83,741)</u> | <u>(72,617)</u> | <u>(198,275)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>18,825</u> | <u>19,099</u> | <u>25,418</u> |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>65,406</u> | <u>46,307</u> | <u>20,889</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 84,231</u> | <u>\$ 65,406</u> | <u>\$ 46,307</u> |

(Continued)

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

(Continued)

| | For the Years Ended December 31, | | |
|---|----------------------------------|-------------|-------------|
| | 2003 | 2002 | 2001 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | | |
| Cash paid during the period for: | | | |
| Interest (net of amounts capitalized of \$900 in 2003) | \$ 79,068 | \$ 73,067 | \$ 104,438 |
| Income taxes | \$ 2,183 | \$ 56,396 | \$ 3,014 |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | | |
| Convertible subordinated notes were converted to common stock: | | | |
| Long-term debt | \$ (40,000) | \$ (1,114) | \$ |
| Common stock | 34 | 1 | |
| Additional paid-in capital | 39,512 | 1,113 | |
| Other assets | 454 | - | |
| | \$ - | \$ | \$ |
| The Company acquired a business for debt and cash: | | | |
| Accounts receivable | \$ | \$ (177) | \$ |
| Prepaid expenses and other current assets | | (21) | |
| Property and equipment, net | | (20) | |
| Other assets | | (578) | |
| Accounts payable and accrued expenses | | 300 | |
| Debt | | 175 | |
| | \$ - | \$ (321) | \$ |
| The Company issued shares of common stock and a promissory note payable in satisfaction of stockholder litigation: | | | |
| Accounts payable and accrued expenses | \$ (5,998) | \$ | \$ (69,408) |
| Long-term debt | 2,900 | | 25,606 |
| Common stock | 3 | | 187 |
| Additional paid-in capital | 3,051 | | 43,615 |
| Other assets | 44 | | - |
| | \$ | \$ | |
| The Company issued Series B Preferred Stock in lieu of cash distributions to the holders of shares of Series B Preferred Stock on the applicable record date: | | | |
| Distributions payable | \$ (7,736) | \$ (11,834) | \$ (11,070) |
| Preferred stock – Series B | 7,736 | 11,834 | 11,070 |
| | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of these consolidated financial statements.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(in thousands)

| | Series A Preferred Stock | Series B Preferred Stock | Common Stock | Additional Paid-In Capital | Deferred Compensation | Retained Earnings (Deficit) | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
|--|--------------------------------|--------------------------------|-----------------|----------------------------------|--------------------------|-----------------------------------|-------------------|--|----------------------------------|
| BALANCE, December 31, 2000 | \$ 107,500 | \$ 80,642 | \$ 2,354 | \$ 1,299,390 | \$ (2,723) | \$ (798,906) | \$ (242) | \$ - | \$ 688,015 |
| Comprehensive income (loss): | | | | | | | | | |
| Net income | | | | | | 25,694 | - | - | 25,694 |
| Cumulative effect of accounting change | | | | | | - | - | (5,023) | (5,023) |
| Amortization of transition adjustment | | | | | | - | - | 2,512 | 2,512 |
| Total comprehensive income | | | | | | 25,694 | | | |
| Distributions to preferred stockholders | | 11,070 | | | | | | | |
| Issuance of common stock under terms of stockholder litigation | | | 187 | 43,615 | - | - | - | - | 43,802 |
| Amortization of deferred compensation | | | 3 | (3) | 1,305 | - | - | - | 1,305 |
| Restricted stock issuances, net of forfeitures | | 4,904 | - | (3,179) | (1,735) | - | - | - | (10) |
| Reverse stock split | | - | (2,265) | 2,240 | - | - | - | - | (25) |
| Other | | (50) | - | (105) | - | - | - | - | (155) |
| BALANCE, December 31, 2001 | 107,500 | | | | (3,153) | (793,236) | (242) | (2,511) | |
| Comprehensive income (loss): | | | | | | | | | |
| Net loss | | | | | | (7,916) | - | - | (7,916) |
| Change in fair value of interest rate cap | | | | | | - | - | (964) | (964) |
| Amortization of transition adjustment | | | | | | - | - | 2,511 | 2,511 |
| Total comprehensive loss | | | | | | (7,916) | | | |
| Distributions to preferred stockholders | | 11,834 | - | - | | | | | |
| Conversion of subordinated notes | | - | 1 | 1,113 | - | | | | |
| Amortization of deferred compensation, net of forfeitures | | (167) | - | (223) | 1,549 | | | | |
| Stock issuance costs | | - | - | (21) | - | | | | |
| Stock options exercised | | - | - | 433 | - | - | - | | |
| Retirement of treasury stock | | - | - | (242) | - | - | 242 | - | - |
| Retirement of series B preferred stock | | (402) | - | 48 | - | - | - | - | (354) |
| BALANCE, December 31, 2002 | \$ 107,500 | \$ 107,831 | \$ 280 | \$ 1,343,066 | \$ (1,604) | \$ (822,111) | \$ - | \$ (964) | \$ - |

(Continued)

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002, AND 2001
(in thousands)

(Continued)

| | Series A Preferred Stock | Series B Preferred Stock | Common Stock | Additional Paid-In Capital | Deferred Compensation | Retained Earnings (Deficit) | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
|---|--------------------------------|--------------------------------|-----------------|----------------------------------|--------------------------|-----------------------------------|-------------------|--|----------------------------------|
| BALANCE, December 31, 2002 | \$ 107,500 | \$ 107,831 | \$ 280 | \$ 1,343,066 | \$ (1,604) | \$ (822,111) | \$ - | \$ (964) | \$ - |
| Comprehensive income: | | | | | | | | | |
| Net income | | | | | | 141,783 | - | - | 141,783 |
| Change in fair value of interest rate cap | | | | | | - | - | 378 | 378 |
| Total comprehensive income | | | | | | | | | |
| Distributions to preferred stockholders | | 7,736 | - | - | | | | | |
| Issuance of common stock, net | | | 64 | 117,103 | | | | | |
| Retirement of common stock | | | | (842) | | | | | |
| Deferred tax valuation allowance reversal | | - | | 2,643 | | | | | |
| Retirement of series B preferred stock | | (347) | | | | | | | |
| Redemption of preferred stock | (100,000) | (91,637) | - | - | | | | | |
| Conversion of subordinated notes | - | - | 34 | 39,512 | | | | | |
| Repurchase of common stock | - | - | (34) | (65,588) | | | | | |
| Warrants exercised | - | - | 1 | - | | | | | |
| State stockholder litigation settlement | - | - | 3 | 3,051 | - | | | | |
| Amortization of deferred compensation, net of forfeitures | - | (55) | - | (71) | 1,720 | | | | |
| Restricted stock grant | - | - | 1 | 1,594 | (1,595) | - | - | - | - |
| Stock options exercised | - | - | 1 | 1,274 | - | - | - | - | 1,275 |
| BALANCE, December 31, 2003 | \$ 7,500 | \$ 23,528 | \$ - | \$ - | \$ (1,479) | \$ (695,590) | \$ - | \$ (586) | \$ - |

The accompanying notes are an integral part of these consolidated financial statements.